2610

AGREEMENT
AND
WORKING RULES
BETWEEN
ALCOA INC.

AND

UNITED STEELWORKERS OF AMERICA

Local Nos. 105,
115, 445, 420, 104

*

Plants Located at
DAVENPORT, IOWA
LAFAYETTE, INDIANA
LEBANON, PENNSYLVANIA
MASSENA, NEW YORK
WARRICK, INDIANA

MAY 31, 2001 ....

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PLEASE NOTE THAT
LEBANON, PA IS A
SHUTDOWN LOCATION.

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AGREEMENT

The parties to this Agreement, dated May 31, **2001**, amending and extending the Agreement of June 1, **1996**, shall be **United Steelworkers of America** and its Locals 104, 105, 115, 420, and 445 (hereinafter collectively referred to as the "Union") and **Alcoa Inc.** ("Company").

If any plant with a collective bargaining unit subject to this Agreement is transferred to a subsidiary or an affiliate where the Company has greater than a 50% interest, the collective bargaining unit shall continue to be covered by this Agreement and such subsidiary or affiliate shall be a party to this Agreement.

The Company and the Union agree:

ARTICLE I. RECOGNITION, SUCCESSORSHIP, AND APPLICATION OF AGREEMENT

Section 1. Recognition and Successorship

A. Recognition

The provisions of this Agreement shall apply solely to those employees of the Company at its plants located at Warrick, Indiana; Davenport, Iowa; Lafayette, Indiana; Massena, New York; and Lebanon, Pennsylvania, for whom the Union has been certified as the exclusive bargaining agency by the National Labor Relations Board, or for whom the Company has recognized the Union as the exclusive bargaining agency.

Where Union representatives of employees are mentioned in this Agreement, any representatives, committees, or officers of the Union that have been certified by the local Union to the plant or Company Management shall be recognized as such Union representatives by the Management.

The Company recognizes and accepts the principles of collective bargaining and, subject to the provisions of this Agreement, is willing at all times to meet the Union representatives for the purpose of discussing hours and working conditions, not in conflict with this Agreement and

not determined in negotiations of this Agreement, with the object of reaching a satisfactory understanding.

B. Successorship

If the Company sells an entire plant, or an organizationally distinct operation thereof, subject to this Labor Agreement, and the purchaser intends to operate the same business at the same location within one (1) year of the sale, the purchase and sale agreement will require the purchaser to:

1. Extend offers of employment only to members of the Company's collective bargaining unit until the purchaser has a full complement of such employees it needs to perform work covered by the Company's collective bargaining unit or until the purchaser has extended offers of employment to all members of the Company's collective bargaining unit;

2. Maintain a preferential applicant pool of members of the Company's collective bargaining unit who are not initially employed by the purchaser pursuant to Item 1 above, and to extend offers of employment only to members of that pool for the purchaser's bargaining unit work, as the purchaser's needs arise, for a period of three (3) months from the commencement of the purchaser's production operations, or until the purchaser has extended offers of employment to all members of the Company's collective bargaining unit whichever occurs first; and

3. Recognize the Union as the collective bargaining representative of the unit that performed bargaining unit work for the Company upon the purchaser hiring a substantial and representative complement of the employees it needs to perform such unit work.

The Company will have completely fulfilled its obligations under this successorship provision if the purchase and sale agreement contains the terms described in Items 1-3,

the purchaser makes the offers specified in Item 1 contingent upon the closing of the transaction contemplated in the purchase and sale agreement, and the Company offers its services as a facilitator during negotiations for a labor agreement between the purchaser and the Union. The Company will have no obligation under this successorship provision if the purchaser commits to the Company that it does not intend to operate the same business at the same location within one year of the sale. Moreover, this successorship provision does not apply to the sale of a plant which has been closed for at least six (6) months or to the separate sale of equipment and/or real estate, including buildings, not intended to be operated within one (1) year after sale as the same business at the same location.

Section 2. Application of Agreement

This Agreement shall be binding on both the Company and the Union and shall be faithfully performed by each and shall apply alike to male and female employees.

ARTICLE II. OTHER AGREEMENTS

Section 3.

No contract or agreement, affecting the employees of the aforesaid plants to whom this Agreement applies, other than any mutually agreed to by the **Union** and the Company, shall be entered into between the Company and any employee or group of employees or their representative or representatives that will in any way conflict with or supersede this Agreement during its life.

Section 4.

Local agreements which were valid under the Master Agreement and in effect prior to December 19, 1959, on matters covered by this Agreement and which are not in conflict with this Agreement, and which apply or interpret the terms of this Agreement, will remain in effect for the period of this Agreement unless modified or terminated by agreement of the local Union and the local Management or unless terminated by either party in accordance with the provisions of the local agreement.

Section 5.

Local agreements on matters not covered by this Agreement are not subject to or affected by this Agreement unless and until a written agreement, so stating, is executed by the local Union and a representative of the International Union and the Local and Pittsburgh Management.

Section 6.

Any local agreement negotiated subsequent to December 19, 1959, applying or interpreting the terms of this Agreement shall be in writing and approved by the local Union and a representative of the International Union and the Plant or Works Manager or his representative in order to be valid in any future application of the terms of this Agreement. Any such agreement negotiated on or after June 1, 1980, shall be subject to the Agreement when in writing, so stating and approved by the local Union and a representative of the International Union and the Plant or Works Manager or his representative.

ARTICLE III. CHECK-OFF AND MAINTENANCE OF UNION MEMBERSHIP

A. The Company will check-off monthly dues, assessments, and initiation fees each as designated by the local secretary-treasurer of the Union, as membership dues in the Union on the basis of individually signed voluntary check-off authorization cards in forms agreed to by the Company and the Union.

B. New check-off authorization cards will be submitted to the Company through the secretary-treasurer of the local Unions at intervals no more frequently than once each month. On or before the last day of each month the Union shall submit to the Company a summary list of cards transmitted in each month.

C. Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later. Dues for a given month shall be deducted

from the first pay closed and calculated in the succeeding month.

The local Union may opt for weekly dues deductions. Accordingly, when weekly deductions are in effect, mentions of month or monthly in Paragraphs A, D, F, G, and J of this Article are changed to week or weekly.

D. In cases of earnings insufficient to cover deduction of dues, the dues shall be deducted from the next pay in which there are sufficient earnings, or a double or triple deduction may be made from the first pay of the following month, provided, however, that the accumulation of dues shall be limited to three months. The local secretary- treasurer of the Union shall be provided with a list of those employed for whom a double or triple deduction has been made.

E. The Union will be notified of the reason for non-transmission of dues in case of interplant transfer, layoff, discharge, resignation, leave of absence, sick leave, retirement, or insufficient earnings.

F. Unless the Company is otherwise notified, the only union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization shall be for the monthly union dues. The Company will deduct initiation fees when notified by notation on the lists referred to in Paragraph B of this Article, and assessments as designated by the local secretary-treasurer. With respect to check-off authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the local secretary-treasurer of the Union after such check-off authorization cards have become effective. The local secretary-treasurer of the Union shall be provided with a list of those employees for whom initiation fees have been deducted under this Paragraph.

G. The sole authorized representative of the Union for the purpose of certifying the amount of any change in monthly dues or initiation fees to be deducted by the Company shall be the local secretary-treasurer.

H. All employees who at the date of the signing of this Agreement are members of the Union in good standing

as to payment of dues and initiation fees shall maintain membership in the Union in good standing as to payment of dues and initiation fees for the duration of this Agreement as a condition of employment.

I. Each new employee hired hereafter, shall, as a condition of employment beginning on the 30th day following the beginning of such employment, acquire and maintain membership in the Union in good standing as to payment of dues and initiation fees for the duration of this Agreement.

J. In states in which the provisions of Paragraphs H and I of this Article may not lawfully be enforced, and in all other states, each employee covered by this Agreement who fails to acquire or maintain membership in the Union shall be required, as a condition of employment, beginning on the 31st day following the beginning of such employment or the date of the signing of this Agreement, whichever is later, to pay to the Union each month a service charge as a contribution toward the administration of this Agreement and the representation of such employee. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee and monthly dues and for each month thereafter, in an amount equal to the regular and usual monthly dues.

K. If an employee, certified by the Union as a member, asserts within thirty (30) days of the first deduction of his dues that he was not a member as of the date certified, the Union shall, if it desires to contest such assertion, refer the dispute within sixty (60) days to an arbitrator designated by the parties for a final and binding determination. Pending the outcome of such dispute, the deductions will continue, and the funds in question will be impounded by the Company to be disbursed in accordance with the arbitrator's award.

L. It is understood that the Union will save the Company harmless against any and all claims of liability which may arise out of or by reason of action taken or not taken by the Company in compliance with check-off authorization cards or certified lists of Union membership furnished by or through the Union to the Company.

M. This Article is subject to such local modification as may be required by the applicable state laws. Performance of this Article at a Works may be withheld or suspended if contrary to applicable state laws. No liability shall attach to the Company because of reliance upon an applicable state law prior to a determination that such law is invalid, either by the Supreme Court of the United States or by the Court of Last Resort of the state in a ruling which is not reviewed by the Supreme Court of the United States.

ARTICLE IV. CONTINUATION OF WAGE RATES, STANDARD HOURLY RATES, AND PERFORMANCE PAY PLAN

Section 7.

A. Wage Manual

The Wage Manual which became effective April 1, 1957, as since amended, is hereby incorporated by reference as a part of this Agreement effective June 1, **2001**, and shall continue in effect for the same term and under the same conditions as this Agreement. The Standard Hourly Rates and the wage rates for the job classifications covered by this Agreement will not be changed for the period of this Agreement except by mutual agreement or except as changes are made under Article V (New and Changed Job Classifications).

B. Standard Hourly Rates

A table of Standard Hourly Rates reflecting a **two and one-half (2.5%) percent** general increase under said Manual to be effective June **4, 2001**, is attached hereto as the first rate table listed under Appendix I. Effective June **3, 2002 the standard hourly rates will be increased by ten (10) cents. In addition, a one (1) cent incremental increase will be included.** Effective June **2, 2003, the standard hourly rates will be increased by two (2%) percent.** Effective June 7, **2004, the standard hourly rates will be increased by** ten (10) **cents. In addition, a** one (1) cent **incremental increase will be included.**

C. Performance Pay Plan

A Performance Pay Plan for hourly employees represented by the Union to be effective for the plan years **2001, 2002, 2003, 2004, 2005 through May, 31 2006** is set forth in Appendix IV of this Agreement.

ARTICLE V. NEW AND CHANGED JOB CLASSIFICATIONS

Section 8. New Job Classifications

When a new job classification is established:

A. The Company will develop a proposed job description, evaluation, and hourly wage rate for the new job classification.

B. The proposed job description, evaluation, and wage rate, as developed in accordance with the Wage Manual, will be explained to the local Union Job Evaluation Committee with the object of obtaining agreement. The rate may be installed without agreement subject to adjustment as provided below.

C. When a wage rate for a new job classification is installed, the employee or employees affected or their Union representative or representatives may, at any time within ninety (90) days from receipt of the proposed job description, evaluation, and rate, file a grievance alleging that the classification is improperly described and/or evaluated. Such grievance shall be initiated at the second step and may be processed under the grievance and arbitration procedures of this Agreement according to the procedures set forth in the Wage Manual. If such grievance be settled at any step of the grievance procedure or submitted to arbitration, the decision shall be effective as of the date when the employee or employees were assigned to the new job classification subject to the provisions of Section VIII of the Wage Manual.

Section 9. Changed Job Classifications

When the character and type of duties and requirements of a job classification are so changed either all at

once or as a result of an accumulation of changes over a period of time as to alter the evaluation of that classification:

A. The Company will develop a proposed job description, evaluation, and wage rate for the changed job classification.

B. The proposed job description, evaluation, and wage rate, as developed in accordance with the Wage Manual, will be explained to the local Union Job Evaluation Committee with the object of obtaining agreement. The rate may be installed without agreement subject to adjustment as provided below.

C. When a wage rate for a changed job classification is installed, the employee or employees affected or their Union representative or representatives may, at any time within ninety (90) days from receipt of the proposed job description, evaluation, and rate, file a grievance alleging that the classification is improperly described and/or evaluated. Such grievance shall be initiated at the second step and may be processed under the grievance and arbitration procedures of this Agreement according to the procedures set forth in the Wage Manual. If such grievance be settled at any step of the grievance procedure or submitted to arbitration, the decision shall be effective as of the date when the employee or employees were assigned to the changed job classification subject to the provisions of Section VIII of the Wage Manual.

D. In the event that the Company does not develop a job description, evaluation, and wage rate for the changed job classification or in the event that it does not report a change in job duties or content to the Union and it is claimed that the change constitutes a change in the job classification, the Union may file a grievance alleging that the classification is improperly described and/or evaluated. Such grievance shall be initiated at the second step and may be processed under the grievance and arbitration procedures of this Agreement according to the procedures of the Wage Manual. If such grievance be settled at any step of the grievance procedure or submitted to arbitration, the decision shall be effective as of the date the changed job was established, or ninety (90) days prior to the filing of the grievance, whichever was later, subject to the provisions of Section VIII of the Wage Manual except as is otherwise provided for grievances

filed under provisions of the Understanding On The Wage Manual, dated April 26, 1973.

E. A change in methods, materials, or functions or additions or deletion of a job may, among other things, constitute a change in duties or requirements. The Company will notify the local Union Job Evaluation Committee of any significant change in job content whether such change would or would not alter the wage rate provided the Company is aware of such change.

F. In the event that technological changes should take place which result in changes in existing classifications through the creation of significant duties which may be beyond the scope of those performed by employees in the existing bargaining unit, the Company will review the matter with the Union. If such duties are assigned to employees in the bargaining unit, such employees will be given training opportunities to qualify them to perform the work.

Section 10. Exclusions

Production standards are not subject to modification, termination, or establishment by arbitration, although the Arbitration Board may consider evidence relative to production standards.

ARTICLE VI. OVERTIME AND PREMIUM PAY PROVISIONS

Section 11. Daily Overtime

Time and one-half shall be paid for time worked in excess of eight (8) hours in any one day.

Section 12. Sunday Work and Holidays

A. The following days shall be recognized as holidays for the purpose of this Agreement: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas Day, and Christmas Day. When any of these holidays falls on a Sunday, the following day, Monday, will be recognized as the

holiday. If Christmas falls on Monday, the following day, Tuesday, shall be recognized as the "day before Christmas" holiday.

B. Employees shall be paid for the holidays providing they meet all of the following eligibility requirements:

1. During the payroll week in which the holiday is observed:

(a) The employee works or is on a vacation scheduled under the Vacation Plan (Article VII, Vacations) or is on a layoff because he is not eligible for a vacation at the time of a shutdown during the payroll week during which the holiday occurs, or performs jury service, or is a witness in a court of law, or is qualified for bereavement pay (Article XXIX, Bereavement Pay) on each of his scheduled days in such week, or

(b) The employee is absent due to personal illness or accident and is not eligible for sickness and accident benefits for such week because of the waiting period, provided he is eligible for and receives sickness and accident benefits for such illness or accident for the following week.

2. The employee has thirty (30) days' seniority as of the date of the holiday.

3. An employee who is scheduled to work on the holiday and is absent without permission for any reason except sickness will not receive holiday pay.

C. The holiday pay shall be at the employee's regular hourly rate for eight (8) hours. Overtime and shift premiums are excluded.

D. Double time and one-half shall be paid for work performed on the above-named holidays.

E. When a week day is substituted for a holiday (which falls within an employee's normal working schedule) and the plant or any part thereof is closed because of the holiday, the employee will be paid time and one-half for the time worked on the day which was substituted for the holiday.

F. Time and one-half shall be paid for time worked on Sundays. Such premium based on the standard hourly wage rate shall be included in any Allowed Time (Article XVII--Incomplete Day's Work) paid on Sundays when no work is available.

Section 13. Sixth or Seventh Consecutive Day

A. Time and one-half shall be paid for time worked by any employee on the sixth consecutive day worked in his regularly scheduled work week.

B. Double time shall be paid for time worked by an employee on the seventh consecutive day worked in his regularly scheduled work week.

C. For the purpose of computing consecutive days worked, any holiday listed in Section 12A shall be considered a day worked whether or not work is actually performed. Further, any day for which an employee receives jury or witness pay as provided for in Article XXVIII shall be considered a day worked whether or not work is actually performed.

D. For the purpose of computing consecutive days worked, a day on which an employee works two (2) or more hours, unless fewer hours are worked due to the employee being excused for union business, or receives pay under Article XVII (Incomplete Day's Work) shall be considered as a day worked except in cases where less than the scheduled number of hours are worked as the result of a labor dispute.

Section 14. Weekly Overtime

A. Time and one-half shall be paid for time worked in excess of forty (40) hours in any payroll week (or established work week); however, time worked in excess of eight (8) hours in any week day and such time worked on Sundays, or on a day substituted for a holiday, or on the sixth or seventh consecutive day worked, as may be subjected to overtime, shall be excluded when determining weekly overtime in excess of forty (40) hours.

B. When a holiday falls within an employee's normal working schedule, and the plant or any part thereof is closed on the holiday, the hours that would have been worked on the holiday shall be included when determining weekly overtime in excess of forty (40) hours.

Section 15. General Rules

A. The Company will distribute such overtime work as is necessary as fairly as possible between employees within the classification affected by this overtime work.

B. If an employee is required to work over eight (8) hours per day or on any day which is not part of his regular schedule, he shall not be required to lose time or lay off from his scheduled days in that payroll week provided there is work to which he would be regularly assigned. The work days of an employee's work schedule for any work week shall not be changed subsequent to the beginning of such work week except for proper and reasonable cause.

Section 16. Shift and Schedule Premiums

A. Shift Premium

A premium rate of thirty-nine (39) cents an hour shall be paid for work performed on the second or afternoon shift and sixty-four (64) cents an hour for work performed on the third or night shift.

1. The shift premium will be included in computing overtime compensation.

2. The shift premium will be included in the rate paid for hours not worked under Article XVII (Incomplete Day's Work) of this Agreement. For an employee called to work, such premium shall be the highest applicable to any time actually worked on such call-out, and will be applied also to the hours worked during the call-out period. For an employee permitted to come to work, such premium shall be the premium applied to his shift.

3. An employee scheduled to come to work four (4) hours or more prior to the start of and in addition to

his regular shift will receive the applicable shift premium for those hours worked before the start of his regular shift.

4. An employee who continues to work beyond his regular day shift for four (4) hours or more will be paid the afternoon shift premium for all hours worked during the afternoon shift.

5. An employee who continues to work beyond his regular afternoon shift for four (4) hours or more will be paid the night shift premium for all hours worked during the night shift.

6. An employee who continues to work beyond his regular night shift will be paid the night shift premium for all hours worked during the day shift.

B. Schedule Premium

When an employee's regular work schedule over its normal cycle provides for other than consecutive days (up to and including five [5] days), Monday through Friday, except as he may be scheduled for or work additional time on what would normally be a sixth or seventh day, the employee shall be entitled to a schedule premium of thirty (30) cents per hour for each hour in the work week except as provided for in the following Paragraph 1.

1. If the schedule cycle of such employee includes work weeks of Monday through Friday in each of half or more of the work weeks of the schedule cycle, the schedule premium shall not be payable for the Monday through Friday work weeks but shall be payable for the other work weeks of the schedule cycle.

2. The schedule premium referred to in this Section 16 shall be considered an "add-on" and shall not be deemed part of the employee's standard hourly rate. Such premium shall be paid only for hours worked and shall not be included in the base for calculation of any premium pay, benefit, or other pay additive except overtime and incomplete day's work in accordance with Article XVII. This provision supersedes any other contract provision relating to the

calculation of premium pay, benefit, or pay additive except overtime and incomplete day's work.

ARTICLE VII. VACATIONS

The following regulations shall govern the Vacation Plan for Hourly Rated Employees.

A. Eligibility

1. An employee shall be entitled to a vacation with pay during a calendar year if, at December 31 of the preceding year or at any time while he is working between January 1 and November 30, inclusive, of such calendar year, he has completed one or more years of accumulated departmental seniority and has either (a) worked 1000 or more hours in the immediately preceding 365 days or (b) worked in at least 60% of the preceding 52 weeks, provided during such period the scheduled work weeks have been reduced below five (5) days per week for more than twenty-six (26) weeks. For the purposes of determining whether 1000 or more hours have been worked, time lost during such 365 days due to an injury arising out of company employment, or due to jury or witness duty (Article XXVIII), or due to absence from work while on a previous year's vacation or time lost while participating in national negotiations with the Company shall be added to the actual hours the employee worked at the rate of eight (8) hours per day but no more than forty (40) hours per week.

An employee otherwise eligible, who on November 30 lacks 31 days or less of the required accumulated departmental seniority, will be deemed to have satisfied the seniority requirements for eligibility and for length of vacation.

2. An employee who in any calendar year obtains a leave of absence for the purpose of entering the Armed Forces, and who provides proof of having entered the Armed Forces in such year, will be credited with hours worked at the rate of eight (8) hours per day but not more than forty (40) hours per week during such leave up to the date of having entered the Armed Forces, for the purpose of determining whether 1000 hours have been worked during the immediately preceding 365 days, and will be credited with

accumulated departmental seniority for the balance of such year for the purpose of satisfying the seniority requirements for eligibility and length of vacation for that year.

An employee who after being honorably discharged from the Armed Forces is reinstated pursuant to the Company's Military Service Regulations, shall in the year of his reinstatement to active employment without regard to the hours or weeks worked requirement be entitled to a regular vacation.

3. Any employee otherwise entitled to a regular vacation pursuant to this Agreement in the calendar year in which he retires under the terms of the Pension Agreement between the Company and the Union, which makes him eligible for a special retirement payment, but who has not taken such vacation prior to the date of such retirement, shall not be required to take a regular vacation in that calendar year and shall not be entitled to regular vacation pay for that calendar year or in any subsequent year.

B. Length of Vacation

An eligible employee who has attained the years of accumulated departmental seniority indicated in the following table in any calendar year during the continuation of this Agreement shall receive a regular vacation (except as otherwise provided) corresponding to such years of accumulated departmental seniority as shown in the following table:

Accumulated Departmental Seniority	**Weeks of Regular Vacation**
1 year but less than 3 years	1 week
3 years but less than 10 years	2 weeks
10 years but less than 17 years	3 weeks
17 years but less than 25 years	4 weeks
25 years or more	5 weeks

The vacation taken shall consist of consecutive days and shall include Sundays and holidays; however, vacations of two, three, or four weeks may consist of separate periods of one week each.

C. Return from Vacation

Notwithstanding any provisions of Section 17, an employee who overstays his vacation leave without first notifying his plant management and securing permission for the extension, unless such notification proves to be impractical, may be subject to disciplinary action.

D. Vacation Scheduling

1. The vacation period shall be from January 1 to December 31, inclusive.

2. Time lost by an employee for a period of at least an entire payroll week during the vacation period due to the necessity of reducing the working forces or due to bona fide sickness or injury or due to leave of absence may be applied to any regular vacation time to which such employee is entitled if the employee so requests.

3. It is the intent and purpose of the Vacation Plan that all eligible employees shall receive benefit of a vacation from work. However, the employee who is required to work instead of taking time off for regular vacation shall be entitled to vacation pay in addition to his regular pay provided he has not had time lost as described applied to all regular vacation time to which he is entitled.

4. In light of the amount of regular vacations provided by this Article, the local Union and the local Management will meet as necessary to review vacation scheduling procedures for the purpose of arriving at mutually satisfactory scheduling arrangements.

5. If no local agreement exists at a plant concerning vacation scheduling procedures, the following provision shall apply:

The employee shall take his vacation as scheduled by the Management but with consideration being given to the employee's wishes as to the time his vacation is to be scheduled.

E. Reports

From time to time during the term of this Article, the Company shall furnish the Union on forms and at times to be agreed upon with such information as may be reasonably required for the purpose of enabling it to be properly informed concerning the operation of this Article.

F. Vacation Pay

1. The vacation pay for a vacation of one week shall be the employee's average hours worked per week (not less than 40 hours and not more than 48 hours) multiplied by the employee's average earnings per hour (exclusive of overtime earnings). The vacation pay for 2, 3, etc., weeks shall be twice, three times, etc., that amount, respectively. The employee's average earnings per hour, as well as the employee's average hours worked per week are averaged over the last payroll quarter which ended 28 days or more prior to the date on which the vacation period begins or the date the vacation is considered as starting. Excluded from such period will be any week in which a paid holiday is observed, or any week during which the employee receives jury or witness pay, or any week during which he was on a paid vacation.

Vacation pay computed on the basis of a payroll quarter prior to a general wage increase for a vacation, or portion thereof, scheduled after such wage increase in such year shall be adjusted for such increase for the vacation time taken after the effective date of the increase. The adjustment will consist of the amount by which the hourly rate of the employee's payroll classification is increased as part of such general wage increase. The adjustment so determined shall be added to those hours of vacation pay entitlement subject to adjustment.

A week shall be deemed to fall in the period in which it commences.

2. The vacation pay will be paid as follows:

(a) Vacation pay will be paid on the regular pay days for the period of the employee's vacation. However, an employee may receive the remaining vacation pay in lump sum before he leaves for vacation time off provided such

request is made in writing to the Company at least one (1) week prior to the date his vacation is scheduled to start.

(b) For the employee who requests that regular vacation be applied because of time lost or who works instead of taking time off, as described under D-2 and D-3, the vacation pay shall be paid him on the first regular pay day occurring not less than ten days following the date the employee makes such request.

(c) In the event of death of an employee who was eligible for a vacation, the entire amount of vacation pay to which he would have been entitled shall be paid to his proper legal representative.

G. In the event of a war or other national emergency or federal legislation designed to reduce the normal work week below 40 hours, either party may notify the other of a desire to negotiate with respect to an appropriate modification of this Plan or its termination. In the event of failure to agree within 120 days from such notice, if given as a result of the above-described type of federal legislation, the Plan shall remain in effect subject to the termination provision of the Agreement, but the parties shall be free to strike or lockout in support of their positions with respect to such matters (and no other) notwithstanding the provisions of any other agreement between the parties.

ARTICLE VIII. SENIORITY

A. Company Seniority

The company seniority of an employee is measured by years, months, and days from his last date of hire at that Works location.

B. Departmental Seniority

The departmental seniority of an employee in the bargaining unit covered by this Agreement is the sum of the years, months, and days worked in his regular department, plus:

a. Absence up to ninety (90) days per calendar year caused by bona fide sickness or accident arising from causes outside his employment;

b. Leave of absence up to twenty-one (21) days per calendar year;

c. Leave of absence granted to an employee to permit him as a Union representative to negotiate with the Company;

d. Layoffs up to ninety (90) days due to lack of work;

e. Disciplinary layoffs of seven (7) days or less;

f. Absence caused by an occupational compensable injury.

Except that in the case of an employee with five (5) years or more departmental seniority in the department from which he is absent, the time specified in a, b, and d above shall be a maximum of one year for any continuous absence even though the absence extends beyond one year.

For the purpose of determining departmental seniority accumulation in the new department under a, b, and d above, employees who are placed in accordance with Article XII, C, will be considered as having in the new department the amount of departmental seniority held in his former regular (own) department. This provision shall cease to apply whenever the employee has accumulated five (5) or more years of departmental seniority in the new department or voluntarily transfers to a different department, whichever occurs earlier.

For employees who are required to change departments as a direct result of a combination of departments, creation of a new department, elimination of a department, or moving a job classification or portion thereof from one department to another department, departmental seniority in the new department will be the departmental seniority held in his former regular (own) department. This Paragraph is applicable only in cases where employees are transferred

within thirty (30) days following the effective date of the change unless this time limit is modified by mutual agreement.

For employees with ten (10) or more years of accumulated departmental seniority, who are required to change departments involuntarily, departmental seniority in the new department will be the departmental seniority held in their former regular (own) department.

Accumulated departmental seniority shall be the sum of an employee's departmental seniority in all departments of the Company, as determined in accordance with the provisions of this Article, and which has not been terminated as provided in this Article, provided, however, there shall be no pyramiding of departmental seniority in determination of accumulated departmental seniority.

Section 17. Termination of Seniority

Company seniority and departmental seniority shall terminate when the employee:

A. Quits for any reason;

B. Is dismissed or discharged for sufficient and reasonable cause;

C. Is absent without leave for a period of six (6) consecutive days or longer on which he is scheduled to work. The Company will notify the Union in writing of such termination. Should a grievance on such termination result, it may be filed initially at the second step of the grievance procedure;

D. Fails to report for work as provided for in Article XI;

E. Does not report his absence from work due to a bona fide case of sickness or accident arising from causes outside his employment before six (6) days elapse during which he does not report for work, unless such notification proves to be impractical. Should a grievance on such termination result, it may be filed initially at the **second** step of the grievance procedure;

F. When laid off due to a reduction of forces, does not request, in person or by mail direct to the Company or through the Union to the Company by means of a notice signed by the laid-off employee, that he be given the notice of restoration of forces as provided for in Article XI (Recall and Restoration of Forces, Paragraph C) if at the time of layoff he has less than five years' company seniority. Such request must be made during the month of March of each year. Each request must be sent to the Employment Office for the Works in which he last worked and provide in writing the employee's name and correct permanent address. Such employee at the time of his layoff will be given a written notice advising him of this clause and will, during each February while he is laid off, be mailed a reminder of the need for him to make such request during March of that year. Such reminder will be mailed to the laid-off employee's last address reported to the Employment Office. Non-receipt of a reminder does not relieve the laid-off employee of the requirement to make such request. A list of the employees with addresses to be sent the reminder shall be given to the local Union prior to mailing.

Departmental seniority will terminate as provided in other sections of this Agreement.

Section 18. Probationary Employees

For the purpose of good selection, the Company shall have the right to place employees on trial for their first seventy-five (75) days worked in order to determine whether they should be kept as an employee. The Union shall have no right to contest a termination made within the probationary period.

Section 19. Local Rules

Local rules dealing with seniority and local agreements applying seniority, may be negotiated by the local Management and the local Union, provided such rules and agreements must be consistent with this Agreement. If such rules or agreements are in writing and signed by the parties, they will be part of the seniority agreements subject to Article II (Other Agreements) of this Agreement. All such rules or agreements made after August 1, 1962, which are intended to be part of the Agreement shall be in writing, signed by the parties, and given to the Executive Board of the local Union.

Section 20. General

As promptly as is reasonably possible, the Company will prepare and post in each department a list showing the company and departmental seniority of all employees in that department and will revise such lists at least once every three (3) months. Copies of these seniority lists will be given to the local Union.

An employee's company seniority and departmental seniority, as accumulated prior to the date of this Agreement, shall not be in any way changed as a result of the seniority provisions of this Agreement, but commencing as of the date of this Agreement, additions to such company seniority and departmental seniority shall be determined by the application of the provisions of this Article.

ARTICLE IX. REDUCTION OF FORCES

A. If, due to a reduction in working forces or a reduction of hours worked in any department, an employee is to be demoted, seniority shall, subject to the exceptions in Article XII, determine which employee shall be demoted. Whether this shall be company or departmental seniority shall be in accordance with agreements between the local plant Management and the local Union, and after a period of ninety (90) days from the date of this Agreement, such local agreement shall not be changed during the life of the Agreement. In any event, when an employee is laid off in a reduction of forces in a department, company seniority shall govern, subject to the exceptions in Article XII.

B. In the case of reduction of forces in any department, the employees laid off who have maintained their company seniority shall, if qualified and willing, be given preference in employment if available in other departments within the bargaining unit before new employees shall be hired in such other departments.

C. An employee with one year or more of company seniority who is scheduled to be laid off, shall, upon request, be transferred to such other department of the Works as may be decided upon by the Company, provided that in the department to which he is to be transferred:

1. There is work available which the employee is able to perform in a vacancy in one of the classifications listed in the attached Appendix II pertaining to the respective plant location provided there is no employee with greater company seniority then laid off from the Works, or

2. His company seniority is greater than that of an employee working in one of the above-listed classifications, and he is able to do the job, in which case he will replace the employee with the least company seniority in such classifications. An employee so transferred shall earn departmental seniority as of the date he starts work in the new department.

D. Whenever a reduction of forces or a reduction in hours is necessary, the Company will post the names of the employees to be laid off at least three (3) days, excluding Sundays and holidays, prior to such reduction unless cancellation of orders, changes in customers' requirements, breakdown, accidents, or other emergency makes such notice impossible, in which case the Union will immediately be notified. A copy of the posted list of employees to be laid off will be given to the local Union at the time of the posting. Any questions or grievance arising from such reduction of forces or hours shall, if possible, be presented within the three (3) day period of any such notice.

E. An employee who has been laid off from his own department and transferred to a department other than his own in the course of a reduction in forces may select that other department as his own providing that the employee has been in that department for at least 30 consecutive days immediately prior to and inclusive of making such selection. The selection must be made in writing while the employee is classified in a job classification in that department.

Any such employees who make such a selection forfeit their seniority in their own department and the department in which they are then working becomes their own department.

F. Where because of a change in process, downsizing or the permanent elimination of an entire operating unit or department or substantial portion

thereof, an employee is to be displaced, the local Union and local Plant Management may agree upon such application or modification of this Article IX, (Reduction of Forces), as may be deemed suitable to that particular situation.

G. 1. An employee laid off in any reduction of forces who has maintained his company seniority and for whom no suitable work is available within the bargaining unit within a reasonable period of time shall be given preference as a new employee for employment, if available, in other plants of the Company covered by this Agreement, if he so requests, such preference to be in order of company seniority.

2. The probationary period of Section 18 shall be waived for an individual who is employed under the provisions of this paragraph.

3. An employee so employed under the provisions of this paragraph shall retain departmental seniority accumulated under Article VIII, Paragraph B, in the plant from which he was laid off for the purpose of determining vacation entitlement under Article VII - Vacations, group insurance benefits under Article XXIII and SUB entitlement under Article XXII. He shall also retain pension service as provided for in the Pension Agreement.

H. Moving Expense

1. An employee who is employed pursuant to Paragraph G above in a plant at least 50 miles from the plant from which he was laid off, and who changes his permanent residence as a result thereof, will receive a moving expense allowance promptly after the commencement of his employment at the plant to which he is relocated on the following terms:

(a) He must make written request for such allowance in accordance with the procedure established by the Company.

(b) The amount of the moving expense allowance will be determined in accordance with the following:

Allowance for:

Miles Between Plant Locations	Single Employees	Married Employees
50 - 99	$200	$600
100 - 299	250	650
300 - 499	300	750
500 - 999	350	950
1000 - 1999	450	1,200
2000 or more	550	1,450

(c) The amount of any such moving expense allowance will be reduced by the amount of any moving expense allowance or its equivalent to which the employee may be entitled under any present or future federal or state legislation; and the amount of such allowance shall be deducted from monies owed by the Company in the form of pay, vacation benefits, supplemental unemployment benefits, pensions, or other benefits if the employee quits, except as it shall be agreed locally that the employee had proper cause, or is discharged for cause any time during the 12 months following the start of such new job.

(d) A married employee who moves residence without also moving his or her family will be provided the moving allowance for single employees. In the event such employee later moves his or her family, he or she shall be paid the difference between the single employee moving allowance and the married employee moving allowance.

(e) Only one moving expense allowance will be paid to the members of a family living in the same residence.

(f) Only one moving expense allowance, as covered by this Section, shall be allowed an employee in any twelve (12) month period.

ARTICLE X. JOB ASSIGNMENT

When an employee is assigned to a higher rated job, he will receive for each assignment the rate of such higher rated job for the time worked on that job or a minimum of one hour's pay at the higher rate, whichever is the greater.

Except in the case of a posted reduction of forces, which is considered a permanent assignment to a lower rated job, an employee who is temporarily assigned to a lower rated job will receive his regular hourly rate of pay for any such transfer of eight (8) working days or less. For time beyond eight (8) days, the employee will receive the rate of the job to which he is temporarily assigned.

If an employee refuses or fails to accept an assignment of a job other than his regular one either in his own department or by transfer to some other department, he shall not lose his seniority in his own department.

ARTICLE XI. RECALL AND RESTORATION OF FORCES

A. Employees who have been laid off in the course of a reduction of forces shall have recall and restoration rights according to the following procedure and order provided they are able to perform the work subject to Article XII (Exceptions to the Application of Seniority).

1. Employees who have been previously laid off from their own department in the course of a reduction of forces and who are working in other departments of the Works shall be recalled to their own department in order of company seniority. Any such employees who refuse to return to their own department forfeit their seniority in their own department and the department in which they are then working becomes their own department.

2. All employees then in their own department who were previously classified in job classifications not listed in Appendix II applicable to each Works, and who left any such classifications for reason other than inability to satisfactorily perform the job, shall be restored to openings in those classifications on the basis of seniority. Whether this shall be company or departmental seniority shall be in accordance with agreements between the local plant Management and the local Union, and after a period of ninety (90) days from the date of this Agreement, such local agreement shall not be changed during the life of the Agreement.

3. Additional employees needed in that department shall be obtained by recalling employees who have been previously laid off and who are not working in the Works on the basis of company seniority. Any employees who return to their own department as a result of this recall, and were classified in job classifications not listed in Appendix II applicable to each Works, and left any such classifications for reason other than inability to satisfactorily perform the job, shall be restored to those classifications on the basis of seniority. Whether this shall be company or departmental seniority shall be in accordance with agreements between the local plant Management and the local Union, and after a period of ninety (90) days from the date of this Agreement, such local agreement shall not be changed during the life of the Agreement.

4. Any opening remaining in job classifications in that department shall be filled through the application of Article XIII (New Job or Vacancy).

B. As long as employees are laid off from their own department as a result of reduction of forces, job classification openings involving the addition of personnel to such department shall not be filled through the application of any other provision of this Agreement until the procedures of this Article XI (Recall and Restoration of Forces) have been exhausted. However, this Paragraph shall not prohibit daily assignments to other departments under circumstances in which laid-off employees would not normally be recalled.

C. When there is to be a recall or a restoration of forces, the Company will give notice either by registered mail or in person or by other adequate means to the individuals to be recalled or restored and will post in the department the names of the individuals as long in advance as conditions will permit. A copy of the posted list of employees to be recalled or restored will be given to the local Union at the time of the posting.

If an employee previously laid off due to a reduction of forces, and not then working in another department, does not report for work within seventy-two (72) hours (excluding Saturdays, Sundays, and holidays) after such notice is delivered or delivery has been attempted, he shall forfeit his place in that particular recall unless that particular recall is

incomplete, but if within a period of ten (10) days after the first notice he so requests it, he shall be given a second and final consideration at the time of the next recall, if any. If an employee has followed the above procedure, he shall not lose his seniority status because of the layoff; otherwise, he shall lose his seniority.

D. Notwithstanding any other provision of this Agreement, this Article XI, Recall and Restoration of Forces, may be changed or modified by the local Management and the local Union, and when accepted by both parties and signed by the International Union, shall be in full force and effect as part of this Agreement.

ARTICLE XII. EXCEPTIONS TO THE APPLICATION OF SENIORITY

A. The Company may hire, retain, or transfer an employee or recall a laid-off employee regardless of his seniority when and if the services of such employee are essential to the efficient operation of the plant because of his special training or ability, provided he is used on a job making use of such special training or ability and provided such job cannot be properly performed except by resort to this provision. When the Company desires to make use of this provision, the matter shall first be discussed with the Union.

B. In reductions or restorations of forces, an employee may be retained in or recalled to a job classification when there is no other available employee with greater seniority who is presently qualified to perform the job classification under the conditions existing after the reduction of forces. This exception does not apply as to job classifications for which no training or particular qualifications are required. Local practices or agreements for methods of qualifying employees in connection with reduction of forces are not in conflict with this Paragraph.

C. The local plant Union and the local plant Management may mutually agree to assign or retain disabled or handicapped employees in jobs they are able to perform or place handicapped applicants selected by the Company in jobs they are able to perform without regard to seniority. Preference for placement or retention shall be given to handicapped employees whenever practical to do so. Neither

party shall unreasonably withhold its approval of such placements or retentions proposed by the other party. No special seniority can be given or awarded to such a placed individual that is not now provided for in Article VIII; Seniority, of the Labor Agreement.

ARTICLE XIII. NEW JOB OR VACANCY

Section 21. Bidding Within the Department

When, as covered by this Agreement, a new job classification is created or a vacancy occurs in an existing classification in any department, it shall be posted in that department so that employees in that department may bid for it. Consideration shall be given on the basis of departmental seniority to employees who have bid and are qualified candidates for the job. Such consideration shall be in the following order:

First, to employees in a higher classification in the same line of progression and in a classification horizontally connected within the same line of progression.

Second, to employees in the classification next below the one in which the vacancy exists, and so on down, in accordance with existing lines of progression.

Third, if the vacancy is not filled from employees in the line of progression or if there is no existing line of progression covering the classification, then such consideration shall be given in like manner to other employees in the department.

In a case where a trial on the job is necessary to find out whether the employee with greatest departmental seniority who bid on the vacancy is a qualified candidate for the job then such employee shall, if he or the Company so requests, be given a trial. If such trial shows he is not a qualified candidate for the job, he shall be placed back on his former job without loss of seniority and the next qualified employee who has bid will fill the vacancy. Such a request for a trial must be made within four (4) days after the four (4) day bidding period.

Employees in the department where the vacancy exists will have the right for four (4) days from the date of

posting (excluding Sundays and holidays) to bid on the vacancy. The vacancy will remain posted for such period unless adequate bids are obtained sooner.

If, for the period of the posting there is an employee absent on vacation or sick leave or local Union representative on leave of absence under Article VIII, Paragraph B, subparagraph c, with greater departmental seniority than any employee who had bid, and who may be qualified to fill the vacancy, the Company may either:

(a) keep the bid open for such employee on sick leave for twenty-one (21) days or for four (4) days following his return from sick leave, whichever is the lesser, or

(b) for the employee on vacation or on union leave, as described above, keep the bid open for four (4) days beyond the time of his return, or

(c) contact such employee and require him to state whether he wants his name entered as bidding on the vacancy.

Section 22. Filling the Vacancy From Without the Department

After such posting period, if the vacancy is not filled from within the department, consideration will then be given to applicants for transfer from other departments. Such consideration shall be on the basis of company seniority. If there are no such applicants, or no applicant is properly qualified, the vacancy will be filled in any suitable manner.

ARTICLE XIV. LEAVES OF ABSENCE

When the requirements of the plant will permit, an employee shall, on his request and for reasonable cause, be granted leave of absence without pay for a limited time with the privilege of renewal. An employee absent on leave who, without the consent of the Company and the local Union engages in other employment, will be considered as having quit without notice. Notwithstanding any provision of Section 17 (Termination of Seniority), any employee who overstays a leave of absence without first notifying his plant Management and securing permission for an extension, unless such

notification proves to be impractical, may be subject to disciplinary action.

The Company agrees to notify the Union in writing of the granting of any leave of absence, as well as the reason therefore where such leave of absence is greater than thirty (30) days' duration, or of the extension of any leave of absence and the reason for extension of such leave of absence where the total leave is to be greater than thirty (30) days' duration.

Any employee who was duly elected or selected by the Union to an office of the Union and is on a leave of absence without pay for the period of the term of office, as of August 1, 1962, shall not have his company seniority broken and his departmental seniority shall accumulate from August 1, 1962, for the remaining period of his leave in accordance with Article VIII, Paragraph B, Departmental Seniority, as though he were on layoff from the bargaining unit.

Any employee who after August 1, 1962, is duly elected or selected by the Union to an office of the Union, shall be granted upon request a leave of absence without pay for the period of the term of office. During such leave of absence, the employee's company seniority shall not be broken and his departmental seniority shall accumulate in accordance with Article VIII, Paragraph B, Departmental Seniority, as though he were on layoff from the bargaining unit. An employee elected or selected as the full-time local Union business agent, or its equivalent (not to exceed one), at plant locations where that position is now occupied or is occupied during the term of the Labor Agreement shall, beginning June 1, 1971, or the date of the start of his leave of absence for such purpose, whichever is later, continue to accumulate departmental seniority only for determining vacation and pension service while he is serving in that capacity and dealing exclusively with matters relative to the local Union representing employees from the plant where his departmental seniority has accrued.

ARTICLE XV. NON-DISCRIMINATION

There shall be no discrimination at the time of employment against any prospective employee, nor after employment, by supervisors, superintendents, or any other

person in the employ of the Company against any employee because of membership or non-membership in the Union.

It is the continuing policy of the Company and Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religion, national origin, handicap, Vietnam era service, sex or age, except where sex or age is a bona fide occupational qualification.

Wherever in this Agreement the male or female pronoun is used, such use is intended to apply equally to males and females.

ARTICLE XVI. LAYOFF, DISMISSAL, ETC.

When an employee is given a disciplinary penalty involving layoff, dismissal, or discharge, a Union representative will be notified promptly of such action and the reasons therefore. If the discipline involves dismissal, discharge, or layoff in excess of three (3) days, such notice shall be confirmed in writing as promptly as possible.

A disciplinary layoff in excess of three (3) days, dismissal or discharge shall be preceded by a three (3) day suspension period. Notification of the full extent of the discipline will be given after the first day but before the end of the three (3) day disciplinary suspension period. A grievance arising out of a dismissal or discharge may be filed initially at the second step of the grievance procedure.

If it is determined that disciplinary action was not for proper and just cause, the penalty may be modified or rescinded and restitution of pay may be made within the terms of the grievance procedure and arbitration.

ARTICLE XVII. INCOMPLETE DAY'S WORK

An employee called to work shall receive not less than eight (8) hours' pay at his regular hourly rate. An employee permitted to come to work at the beginning of his shift without having been notified that there will be no work for him shall receive not less than four (4) hours' pay at his regular hourly rate if he is not put to work, but not less than his regularly scheduled hours of work (not to exceed eight [8]

hours) at his regular hourly rate if he is put to work, except in cases resulting from labor disputes.

ARTICLE XVIII. PROCEDURE FOR HANDLING GRIEVANCES

Section 23. Grievance Procedure

Should an employee (or former employee within ten [10] working days of his dismissal, discharge, or layoff) feel that he has been treated unjustly, he or his Union representative or representatives may present his grievance to the proper representative of the Company who will give it prompt and thorough consideration. This may include any difference of opinion or dispute between representatives of the Company and the Union representatives regarding interpretation or operation of any provision of this Agreement.

An employee's request for grievance representation will be given prompt attention. An effort will be made to obtain a steward as promptly as operating conditions permit.

1. Such grievance shall first be taken up with the appropriate Company department representative(s). Failing satisfactory settlement within three (3) days after the final hearing at this step,

2. The grievance may then be appealed to the highest ranking local representative(s) designated by the Company who shall give an answer within fourteen (14) days.

3. Should such highest ranking local representative of the Company and the Union fail to agree, the grievance in writing may be appealed to the president or other general executive of the Company. Grievances so appealed shall be reviewed by the Company's representative for the purpose of determining the need for a further hearing. If it is determined that a further hearing is not necessary, the Union will be so advised in which case the Union may appeal the grievance directly to arbitration, or in the event the issue involved in the grievance is not arbitrable, pursue the five-day procedure as provided in Section 34 of the Labor Agreement. If it is determined that a further hearing is necessary, a mutually satisfactory date shall be arranged as promptly as possible. In any event, the Company shall within ninety (90)

days after receipt of the appeal to the third step, complete its review and either give notification that a further hearing is not necessary or contact the Union for the purpose of setting a hearing date. **Grievances heard at Step 3 shall be answered within forty-five (45) days of the hearing.**

All requests for hearings with such local representatives of the Company shall be granted as soon as possible, and in no event later than the following (unless further time is mutually agreed upon):

First Step, two (2) days after first presented.

Second Step, five (5) days after appeal from first step.

All grievances appealed beyond the first step shall be reduced to writing by the Union and all answers thereto by the Company beyond the first step shall be in writing.

All such local plant conferences between any employee and his Union representative or representatives and the local plant Management, which must be held at the local plant during his or her regular working hours, shall be without loss of time to any such employees, provided that not more than two (2) such employees from any one department shall thus leave their work at any one time.

The local Union and local Management may agree to such modifications of the first two steps of the grievance as may be appropriate for local conditions.

Section 24. Limitations

No wage claim shall be allowed retroactively prior to the date the grievance thereon is presented unless it was not reasonably possible for the claimant to know he had grounds for such claim and in such case shall not be valid for any period greater than thirty (30) days prior to the date the grievance is presented.

If a grievance is not appealed within two weeks from the date a written reply is received at any step, back pay will not accumulate for the time elapsing between the end of such two-week period and the time the appeal is made.

The appeal of grievances to the second or third step of the grievance procedure must be made within ninety (90) days of the receipt of the answer at the previous step. Grievances appealed after the expiration of such ninety (90) day period will not be processed further except by mutual agreement.

Should the Company fail to comply with the time limitations on hearings or answers at the second step of the grievance procedure, the Union may appeal the grievance to the third step unless the parties agree to an extension of time.

A grievance heard at the third step which is subject to arbitration pursuant to Article XIX may be submitted to arbitration within thirty (30) days of the third step answer or upon expiration of the time in which such answer is due, whichever is earlier.

A retroactive date may or may not be fixed within these limitations.

Section 25. Access to Plants

An International representative of the Union shall be granted access to the plants of the Company for the purpose of investigating grievances which are being considered by the Union and the Company at the second or third step of the grievance procedure provided such investigations do not conflict with any government regulations and are in accordance with general rules agreed upon by the Company and the Union.

ARTICLE XIX. ARBITRATION

Section 26. Scope

Not all grievances are subject to arbitration. The scope of arbitration and the jurisdiction of the Board of Arbitration are defined in Section 31.

Grievances may be submitted to arbitration by either party after the grievance procedure has been exhausted subject to the following principles and procedure.

Section 27. Board of Arbitration

A Board of Arbitration is hereby created consisting of one representative of the International Union, one representative of the Company, and a third party, wholly disinterested, to be appointed by them for such period of time and upon such financial and other terms as may be agreed upon. Such third party shall be entitled the Umpire.

Section 28. Duties of Board

It shall be the duty of the Board to hear disputes on subjects within its jurisdiction certified to it by the Union or the Company after the grievance procedure of the Agreement has been exhausted. Such hearings shall be held in the following designated locations unless the local parties mutually agree to an alternate location:

Davenport	-	**Peoria, IL**
Lafayette	-	**Indianapolis, IN**
Lebanon	-	**Philadelphia, PA**
Massena	-	**Syracuse, NY**
Warrick	-	**Louisville, KY**

The Board may, by unanimous vote, designate an agent or agents to hear a case or cases at any Company location and to report such cases in full to the Board with findings of fact, conclusions, and recommendations which the Board shall upon review adopt, reject, or modify. Grievances concerning termination of seniority under Section 17, Paragraphs C and E and grievances concerning dismissal or discharge under Article XVI shall be given priority for hearing.

Section 29. Awards

All decisions or awards of the Board shall be made by majority vote and shall be issued under the sole signature of the Umpire.

Section 30. Finality of Awards

The decisions and awards of the Board shall be final and binding upon the parties.

Section 31. Jurisdiction of Board

A. The Board shall regard the provisions of this Agreement as the basic principles and fundamental law governing the relationship of the parties. The Board's function is to interpret the provisions of the Agreement and to decide cases of alleged violation of such provisions. The Board shall not supplement, enlarge, diminish, or alter the scope or meaning of the Agreement as it exists from time to time, or any provisions therein, nor entertain jurisdiction of any subject matter not covered thereby (except to the extent necessary to determine its jurisdiction). Without limiting the foregoing, the subjects of wages (including incentives) and production standards are by this Section excluded from arbitration, except that wage rates are arbitrable for new or changed job classifications under Article V of this Agreement, and except that questions of compliance with Article IV (Continuation of Wage Rates) are arbitrable.

B. Whenever the Board may determine that the subject of a dispute is, or a decision or award thereon would be beyond the Board's jurisdiction, or would contravene this Section 31, it shall dispose of the case by reducing such determination to writing and may then refer the dispute to the parties.

C. The Board shall not take jurisdiction of any dispute or grievance arising under any prior agreements.

Section 32. Costs

The compensation and expenses of the Board representative of each party shall be borne by such party. The compensation and expenses of the Umpire and any agents designated by the Board to hear cases shall be borne equally by the parties.

Section 33. Rules

The Board may by unanimous vote make such rules and regulations for the conduct of its business as do not conflict with these provisions.

Section 34. Agreement Against Strikes or Lockouts

As to any disputes subject to arbitration, the Union agrees that it will not cause nor will its members take part in any strike or work stoppage, and the Company agrees that it will not cause any lockout.

As to any dispute not subject to arbitration, no strike, work stoppage, or lockout will be caused or sanctioned until negotiations have continued for at least five (5) days at the final step of the bargaining procedure described in Article XVIII (Procedure for Handling Grievances). Thereafter, any strike which occurs under such circumstances shall not be deemed to be a violation of this Agreement, which shall continue to remain in full force notwithstanding such strike.

During the life of this Agreement the Union will not cause nor will its members take part in any slow-down or similar interference with production.

The Union agrees that the Company has the right to discipline or discharge anyone guilty of violating the provisions of this Section. In the event of an appeal to the Board of Arbitration of a grievance involving action taken under this paragraph, the Board shall have the right in its discretion to affirm, reverse, or modify the disciplinary penalty.

ARTICLE XX. MILITARY SERVICE

A. The Company agrees to comply with all applicable federal laws relating to the reemployment rights of veterans.

B. An employee entitled to reinstatement under this Article who applies for reemployment and who desires to pursue a course of study in accordance with the federal law granting him such opportunity before or after returning to his employment with the Company shall be granted a leave of absence for such purpose.

ARTICLE XXI. SUPERVISORS

Supervisors shall act in a supervisory capacity and shall not perform work so as to replace regular workers or

operators on the job. Superintendents or other supervisors, however, will perform such work, when necessary to instruct other employees, and will perform experimental, development and other research work as may be deemed necessary by the Company. This paragraph does not apply to leaders, gang leaders, and similar squad leaders.

Section 35. Seniority and Return to Bargaining Unit

Employees who have been promoted to any supervisory jobs from production and maintenance units whose employees are part of the bargaining unit and who are subsequently returned shall be deemed to have seniority and be placed as follows:

A. Company Seniority

In accordance with the terms of this Agreement.

B. Departmental Seniority

1. All employees promoted prior to December 19, 1959, and all employees promoted between December 19, 1959, and August 1, 1962, who at the time of their promotion had accumulated three (3) or more years of company seniority, shall be deemed to have and accumulate departmental seniority in the department in which they are working as supervisors, and to have lost or retained such departmental seniority in case of transfer to another department, in accordance with the provisions of this Agreement, except that such departmental seniority will not be deemed to accumulate in relation to those employees in the department with more company seniority while such employees are laid off beyond the time limitations specified in Article VIII (Seniority), Paragraph B.

2. All employees promoted between December 19, 1959, and August 1, 1962, who at the time of their promotion had accumulated less than three (3) years of company seniority and all employees promoted subsequent to August 1, 1962, shall be deemed to have departmental seniority in accordance with Article VIII (Seniority), Paragraph B, as though they had been on layoff from the bargaining unit.

C. Persons who have not been employees in classifications included in the bargaining unit shall not be deemed to have any company seniority or departmental seniority for the purpose of this Section 35.

D. Placement Upon Return to Bargaining Unit

1. An employee promoted prior to December 19, 1959, and an employee promoted between December 19, 1959, and August 1, 1962, who at the time of his promotion had accumulated three (3) or more years of company seniority, who is demoted from his supervisory position shall be returned to the production or maintenance unit in which he is then working in such supervisory position, and he shall be placed on the job classification in such department to which his seniority entitles him and on which he previously worked, or if he has not worked on any such classification, then on the lowest classification.

2. An employee promoted between December 19, 1959, and August 1, 1962, who at the time of his promotion had accumulated less than three (3) years of company seniority and an employee promoted subsequent to August 1, 1962, and prior to June 1, 1965, who is demoted from his supervisory position shall be returned to the department from which he was promoted and placed on a job classification to which his seniority entitles him.

3. An employee promoted on or subsequent to June 1, 1965, but before June 1, 1974, who is demoted from his supervisory position shall be returned to the department from which he was promoted and placed on the lowest job classification then occupied in the department providing his seniority entitles him to such classification, or to a higher classification provided such placement would not involve the displacement of another employee in that classification.

4. An employee promoted on or subsequent to June 1, 1974, who is demoted from his supervisory position shall be returned to the department from which he was promoted and placed on the lowest job classification then manned in the department providing his seniority entitles him to such classification.

5. An employee promoted on or after June 1, 1993, who is demoted from a supervisory position, shall be returned to the department from which she was promoted and placed in the lowest job classification then populated in the department providing such placement does not involve the displacement of another employee in the classification. For the purpose of reduction in forces, the company seniority date for such employee shall be the date of her return to the bargaining unit.

6. An employee demoted under this Paragraph D who does not have sufficient seniority to remain in such department, shall have rights under Article IX, Paragraph C. Subsequent to such return and placement, the provisions of Article XI, Recall and Restoration of Forces, shall apply to the employee so demoted.

ARTICLE XXII. SUPPLEMENTAL UNEMPLOYMENT BENEFITS

This Supplemental Unemployment Benefits Plan is designed to provide a covered employee who becomes wholly or partially unemployed (a) Weekly Benefits to provide income while he is on layoff, and (b) Short Week Benefits for any week in which he is partially unemployed, that is, he works some but less than 32 hours for the Company.

A three-tiered program is established wherein employees shall be grouped depending upon their years of accumulated departmental seniority. The Tier I Group comprises those employees who have 2 but less than 10 years of accumulated departmental seniority; the Tier II group comprises those employees who have 10 but less than 20 years of accumulated departmental seniority; and the Tier III group comprises those employees who have 20 or more years of accumulated departmental seniority.

Section 36. Weekly Benefits

1. Weekly Supplemental Unemployment Benefits shall be payable to employees covered by this Agreement who have two or more years accumulated departmental seniority at the beginning of the layoff. For purposes of this Article, an employee shall be considered as having been laid off in any week in which, because of lack of

work, he is not scheduled or assigned to work for the Company.

2. A layoff shall not include one occasioned by (a) disciplinary reasons; (b) a strike, slow down, work stoppage, picketing, or other labor dispute involving any employee or group of employees of the Company at the Company's plant, or involving the Union whether at the Company's plant or elsewhere; or (c) a hostile act of any foreign government.

3. To qualify for a weekly supplemental benefit in any week, the laid-off employee shall:

(a) be eligible for a state unemployment benefit (including any state requirement for application) except:

(i) as the length of layoff may exceed the duration of such state benefits to which he is entitled,

(ii) if he is compensated or receives a public or private pension payment (other than a pension payment wholly or partially financed by the Company) in an amount which disqualifies him for state benefits,

(iii) if he is on layoff on account of a shutdown of the plant or department for vacation purposes and is ineligible for vacation pay,

(iv) if he did not have a sufficient period of work in employment covered by the state system,

(v) if he fails to receive a state unemployment benefit because he is not physically able to work provided he became disabled while on layoff and after sickness and accident coverage ceased under Article XXIII, and he supplies the same certification of disability as would be required for sickness and accident benefits if such coverage had not ceased. Any disability benefit paid under or pursuant to a state or federal law with respect to the period for which a Weekly Benefit is paid under this paragraph shall for the purposes of this Article be deemed to be a state unemployment benefit.

(vi) if he does not receive a state unemployment benefit solely because he is participating in a training program established under or pursuant to federal law. In such case any income received by him under that program shall be deemed to be a state unemployment benefit.

(b) have made application for benefits from the Company no later than during the week following the week for which benefits are payable, at a time and place designated by the Company. The place at which reporting and applying are required will be at or near the location where the employee was last employed. If such place is an unreasonable distance from the employee's residence, or if he leaves the area to seek work, the Company shall, upon request of the employee in person, grant permission to report at another company location where an adequate office for such reporting is maintained. If no such office is within reasonable distance, the Company shall, upon request of the employee in person, grant permission to report and apply by mail. An employee applying for a Weekly Benefit pursuant to Paragraph 3 (a) (v) may report and apply by mail. The necessary forms and instructions for making S.U.B. applications by mail shall be supplied by the Company to the employee at the time his request for mail reporting is granted. No employee shall receive a Weekly Benefit until he shows that he received a state unemployment benefit for the week or failed to receive such benefit for a reason which does not disqualify him from receiving a Weekly Benefit. This may be done by showing a state check or by some other method, which must reasonably provide for securing such proof.

(c) not be receiving or claiming any sickness or accident or disability benefit, or any pension or retirement benefit wholly or partially financed by the Company, for which he is eligible.

(d) not be receiving a week's vacation pay.

(e) not be in military service (including training encampments).

4. Weekly Benefits shall be payable to employees meeting the qualifications of Paragraph 1 and who have not been on continuous layoff for more than two years for periods of layoff not to exceed their weeks of benefits

eligibility. The maximum number of weeks of benefits eligibility shall be 52 weeks for Tier I employees, 78 weeks for Tier II employees, and 104 weeks for Tier III employees.

Employees who complete either 10 years of accumulated departmental seniority or 20 years of accumulated departmental seniority shall have their weeks of benefits eligibility increased by 26 at the time they complete each such seniority. Laid-off employees who complete such seniority shall have their weeks of benefits eligibility increased by 26 at the end of the layoff during which they complete each such seniority.

If an employee is recalled to work, his remaining weeks of benefits eligibility in any subsequent layoffs shall be increased to his Tier maximum at a rate of one-half week for each week thereafter in which he has any of the following hours:

(a) Hours worked for the Company,

(b) Hours not worked but for which he is paid, such as vacation hours or hours for which he received jury or witness pay or bereavement pay,

(c) Hours not worked and not paid for but which were lost because:

(i) he was performing his duties as a member of the Grievance Committee, or president, vice-president, recording secretary, financial secretary and/or treasurer of a local of the Union which is his collective bargaining representative, or

(ii) he was absent because of disability for which benefits are payable under a Workers' Compensation or Occupational Disease law or the Company Program of Insurance Benefits.

An employee who receives benefits which are reduced under Paragraph 6 shall be deemed to have used only three-quarters of a week of eligibility unless his benefit was so reduced by one-half or more, in which case he shall be deemed to have used only one-quarter of a week's eligibility. Any employee having less than a full week's eligibility for any

week shall be entitled to receive a proportionate benefit for such week.

5. (a) The amount of an employee's Weekly Benefit (subject to the provisions of Paragraph 6 through 10 of this Section and Paragraph 3 of Section 38) shall be 28 hours **times the employee's vacation rate (as determined in Article VII Section F of the Labor Agreement) at the time of layoff** minus the amount of the state unemployment benefit the employee receives or, if he is only partially unemployed, the amount he would have received for that week if totally unemployed.

(b) In the application of (a) above, the following shall apply (subject to the provisions of Paragraphs 6 through 10 of this Section and Paragraph 3 of Section 38) in cases where the employee's state unemployment benefit is reduced or eliminated because of the receipt of a public or private pension.

(i) Where the employee's state unemployment benefit is reduced solely because of the receipt of a public or private pension, the Weekly Benefit shall be 28 hours **of the employee's vacation rate (as determined in Article VII Section F of the Labor Agreement) at the time of layoff** minus the amount of state unemployment benefit received.

(ii) Where the employee's state unemployment benefit is eliminated solely because of the receipt of a public or private pension and the employee is not in receipt of compensation, the Weekly Benefit shall be 28 hours **of the employee's vacation rate (as determined in Article VII Section F of the Labor Agreement) at the time of layoff**

(iii) Where the employee's state unemployment benefit is eliminated because of the receipt of a public or private pension and compensation, but the employee would not have otherwise been disqualified for a state unemployment benefit because of receipt of compensation, the Weekly Benefit shall be as computed in (a) above plus that portion of the public or private pension used in the reduction of the state unemployment benefit.

(iv) Where the employee's state unemployment benefit is eliminated because of the receipt of a public or private pension but the employee would have otherwise been disqualified for a state unemployment benefit because of the receipt of compensation, the Weekly Benefit shall be as computed in Paragraph 6 (a).

(c) In the event that Trade Readjustment Act benefits are payable to an employee who is also receiving a state unemployment benefit, such T.R.A. benefits shall not be deducted from the employee's Weekly Benefit. In those weeks for which no state unemployment benefits are payable, such T.R.A. benefit shall be deducted but limited to the amount of a full state unemployment benefit if it had been payable, assuming the employee in all respects is otherwise qualified for the state unemployment benefit.

6. (a) An employee who is or would be disqualified for state unemployment benefits solely because of the receipt of compensation shall have his benefit as computed in Paragraph 5 reduced by the amount by which his compensation exceeds the sum of:

(i) the state unemployment benefit he would have received for that week if totally unemployed, and

(ii) the maximum amount, not in excess of $10.00, which is disregarded by the state in calculating unemployment benefits for partial unemployment.

(b) An employee who is or would be ineligible for state unemployment benefits, for a reason other than the receipt of compensation, shall receive a Weekly Benefit equal to the sum of the state unemployment benefit, if any, and the Weekly Benefit which he would have received under Paragraph 5, or subparagraph (a) of this Paragraph 6, except for his ineligibility for a state benefit.

7. The amount of benefits to which a part-time employee is entitled shall be computed as above, except the 28 hours shall be reduced in the proportion that the part-time employee's regularly scheduled hours per week bear to 40. A part-time employee is an employee who, for his own convenience, works less than the regularly scheduled hours.

8. Notwithstanding the above, an employee who receives a state unemployment benefit, or is ineligible for such benefit solely because of the receipt of compensation or a public or private pension payment as set forth in Paragraph 3 (a) (ii), shall have his Weekly Benefit calculated without a maximum benefit limit. In other weeks, the maximum Weekly Benefit for employees in Tier I shall be $260.00 and for employees in Tier II and Tier III there shall be no maximum Weekly Benefit.

In case of an employee who accumulates two years' departmental seniority after he has established a state benefit year, he shall be deemed to receive state unemployment benefits for the number of weeks subsequent to his exhaustion of state benefits equal to the number of weeks in that benefit year in which he received state benefits although not yet eligible under this Agreement.

9. To the amount set forth above shall be added $1.50 per week for each dependent for whom the personal exemption deduction is allowed the employee under federal income tax laws, but such additional amount shall not exceed $6.00 per week.

10. In such instances as the Company determines that state unemployment benefits are not payable to an eligible employee because of the receipt of such supplemental unemployment benefits from the Company, the Company and Union shall determine a suitable alternate method of payment. Such method of payment shall be effective as of the date of the Company's determination that supplementation is not permitted.

11. No weekly benefit of less than $2.00 will be paid, nor will any week of eligibility, or fraction thereof, be canceled for any week in which the Weekly Benefit would have been less than $2.00.

12. An employee is not eligible to receive a Weekly or Short Week Benefit if he receives, or is eligible to receive, a similar benefit under an arrangement provided by an employer with whom he has more service than with the Company.

Section 37. Short Week Benefits

1. An employee having two or more years of accumulated departmental seniority will receive a Short Week Benefit from the Company for any week in which some but less than 32 hours are worked for the Company, unless the sum of the hours described in Paragraph 2 below equals or exceeds 32.

2. A Short Week Benefit for a particular week will be calculated by multiplying the employee's standard hourly wage rate by the difference between 32 and the sum of the hours:

(a) He worked in the week, and

(b) He did not work but for which he was paid by the Company, provided, however, that effective January 1, 1978, for weeks containing more than one holiday, hours for which he was paid for one unworked holiday shall not be counted, and

(c) He did not work for reasons other than lack of work.

3. If the employee applies for a state unemployment benefit for any portion of the week, he must notify the Company of such application and of the total amount of any such benefit received. One-seventh of the amount of such state unemployment benefit will be deducted from the amount calculated in accordance with Paragraph 2 above for each day of the state benefit week which falls within the payroll week for which the Short Week Benefit is paid.

4. Short Week Benefits shall be paid directly by the Company and shall not be charged against the contributions to or the finances of the S.U.B. plan. Paragraphs 3(b) and (c) of the Section 38 shall not apply to Short Week Benefits.

5. A Short Week Benefit will be paid to the employee, without application by him, for any week for which he qualifies.

6. One-half week of eligibility will be canceled for each Short Week Benefit.

7. If pursuant to any federal law, or the law of any state or political subdivision, an employee receives or would be eligible to receive any benefit or payment because of layoff or employment displacement resultant from an energy crisis, such benefit or payment shall be considered and treated as State Unemployment Compensation for the purpose of this Article.

Section 38. Finances

1. For each month the Company shall compute a Maximum Benefit Limit. Such Maximum Benefit Limit shall be equal to twenty-three (23) cents per hour worked in the first twelve of the previous thirteen months.

2. For each month the Company shall compute an Available Benefit Limit, which shall be the Available Benefit Limit for the preceding month adjusted by subtracting the Weekly Benefits paid during the second preceding month and adding the amount required to bring the Available Benefit Limit up to 125 percent of the Maximum Benefit Limit, but such additional amount shall not exceed an amount computed by multiplying (i) nine and one-half (9.5) cents times the hours worked in the second preceding month until the Available Benefit Limit has been brought up to the Maximum Benefit Limit and (ii) an additional five (5) cents times the hours worked in the second preceding month. The addition of the five (5) cents shall be subject to the provisions of Paragraph 3(d).

3. (a) For each month the Company shall compute the ratio of the Available Benefit Limit to the Maximum Benefit Limit.

(b) If the ratio of the Available Benefit Limit to the Maximum Benefit Limit, calculated as in (a) above, shall be less than .35, the benefits otherwise payable during the month shall be reduced in accordance with the following table:

When the ratio is:	The portion of the benefit paid is:
.25 or more but less than .35	60%
.15 or more but less than .25	30%

(c) In the event such ratio shall be less than .15, no benefit shall be paid until such month as the ratio shall exceed .15; in no event, however, shall the total benefits paid during any month exceed the Available Benefit Limit calculated for such month.

(d) Notwithstanding Paragraphs 3(b) and (c) above, the Company guarantees that all Weekly Benefits payable under the Plan shall be paid in full to employees who are in Tier II or Tier III. To the extent that Weekly Benefits to such employees are reduced pursuant to Paragraphs 3(b) and (c), the Company shall advance to the trust fund the amount by which the Weekly Benefits paid to such employees pursuant to Paragraphs 3(b) and (c) need to be supplemented to provide full payment. The Company shall maintain a separate record of such advances. In any month in which there is an outstanding balance of such advances, and the Available Benefit Limit would otherwise exceed the Maximum Benefit Limit, the Company may reduce the additions which would otherwise be made to the Available Benefit Limit pursuant to Paragraph 2, but such reduction shall not reduce the Available Benefit Limit below the Maximum Benefit Limit. Any such reduction in the additions which would otherwise be made to the Available Benefit Limit shall be recorded as a credit against the outstanding balance of advances made pursuant to this paragraph.

4. The word "month" as used in this Article shall be construed to mean a four or five-week period, depending upon the number of weekly payroll ending dates falling within a calendar month.

5. The Company shall continue the trust fund established under the Agreement dated August 1, 1956, which is administered by a trustee selected by the Company. All payments of benefits shall be made from the trust fund and for each month, the Company shall contribute to the fund an amount to cover all benefits payable.

6. Federal Income Tax Ruling. Continued contributions to the Plan shall be conditioned upon the continuation in effect of the ruling of the Commissioner of Internal Revenue that such contributions constitute a currently deductible expense for income tax purposes under the Internal Revenue laws of the United States.

7. Fair Labor Standards Act Ruling. Continued contributions to the Plan shall be conditioned upon the continuation in effect of the ruling of the United States Department of Labor that no part of such contribution shall be included in the regular wage rate of any employee.

8. Withholding Provision. If the Company or trustee at any time shall be required to withhold any amount from any payment of benefits, by reason of any federal, state, county, or municipal law or regulation, the Company or trustee shall have the right to deduct such amount from such payment.

9. If an employee is disqualified from supplemental unemployment benefit payments for the reason that his eligibility for state unemployment insurance benefits is in dispute and withheld pending a ruling from an appeal to the state, company benefits shall not be paid but shall be set aside pending such state ruling.

10. Disputes arising from the application of supplemental unemployment benefits shall be initiated at the second step of the grievance procedure.

11. Upon the expiration of this Agreement, the Company shall have the right to suspend or terminate contributions, except as may be otherwise provided in any subsequent agreement between the Company and the Union. If contributions are terminated, any assets then remaining in the fund, plus that portion of the Available Benefit Limit made up of accrued liability, shall be subject to all the applicable provisions of this Article and shall be used until exhausted to pay similar benefits to applicants laid off or thereafter laid off in the order, each week, of the respective dates as of which they were laid off. In such case, the provisions for reduction of benefits of Paragraph 3 of this Section shall not be effective.

12. The Union shall be furnished, on forms and at times to be agreed upon, such information as may be reasonably required to enable the Union to be properly informed concerning the operation of the Plan.

ARTICLE XXIII. GROUP INSURANCE

The Company will provide the following coverages: Life, Surviving Spouse, and Weekly Sickness and Accident for active employees and Hospital Expense, Surgical-Medical Expense, Extended Medical Expense, Dental Expense, and Vision Expense for active employees and eligible dependents. Effective January 1, 1994 the Hospital Expense, Surgical-Medical Expense, and Extended Medical Expense program will be replaced with the Managed Care Medical Program, the Prescription Drug Program, and the Behavioral Health Care Program. The Company will provide the following coverages for retired employees (and eligible dependents) and surviving spouses of active and retired employees (and eligible dependents) who are receiving a pension under the Pension Agreement:

(1) For persons not eligible for Medicare-Hospital Expense, Surgical-Medical Expense, and Extended Medical Expense program. Effective January 1, 1994 the Hospital Expense, Surgical-Medical Expense, and Extended Medical Expense program will be replaced with the Managed Care Medical Program, the Prescription Drug Program, and the Behavioral Health Care Program.

(2) For persons eligible for Medicare-Supplemental Hospital Expense, Supplemental Surgical-Medical Expense, and Supplemental Extended Medical Expense, and Prescription Drug Program.

The Company will also provide Life Coverage and Surviving Spouse Coverage for such retired employees.

All of the above benefits will be provided without cost to employees and retirees except as otherwise provided. Separate booklets describing these benefits are incorporated herein and made a part of this Agreement. **Effective April 1, 2002, the agreed upon modifications to all Group**

Insurance benefits will become effective and incorporated into plan booklets.

General Provisions Applicable to Article XXIII

1. It is agreed that if subsequent governmental legislation provides for the reduction or elimination of the premium for Medicare Part B for any person, the Company shall make a corresponding reduction or elimination to the benefit payment for such Medicare premium for that person and such governmental action shall not require further modification or adjustment in this Article. Medicare Part B premium reimbursement shall be the monthly government charged premium to a maximum of $46.10 **for persons who retire during the term of this Agreement prior to April 1, 2002. For persons who retire during the term of this Agreement on or after April 1, 2002, the Medicare Part B premium reimbursement shall be the monthly government charged premium.**

2. It is intended that the provisions for benefits in this Article shall comply with and be in substitution for provisions for similar benefits which are, or shall be, made by any law or laws. Amounts paid by the Company for such similar benefits either as contributions, taxes, or benefits under any law or laws providing non-occupational insurance benefits shall reduce to that extent the amounts the Company shall pay under this Article and appropriate readjustment shall likewise be made in the benefits.

3. Benefits otherwise payable under the Hospital Expense Coverage or the Managed Care Medical Benefit Program shall be reduced to the extent of the hospital benefits the employee received or could upon application receive under or pursuant to the California Unemployment Insurance Code.

4. Unless otherwise provided in this Article, the parties will meet and agree on a modification of this plan to eliminate duplication of benefits and the disposition of any savings to the Company if subsequent governmental legislation should provide any of the benefits described herein.

5. Upon the request of either the Company or the International Union, the parties will jointly study the

health care program provided by a Health Maintenance Organization Plan (HMO) in any area. Furthermore, if desired by the International Union, the parties will also jointly study the health care program provided by a qualified Health Maintenance Organization plan that presents to the Company an appropriate request for inclusion in this plan. A mutual agreement will be sought as to the desirability of providing at no additional cost to the Company an individual choice between an employee's coverage under this Article and similar coverages provided by the Health Maintenance Organization plan under study. The Company and the International Union will make a mutual determination of the costs in such area of the hospital-surgical-medical benefits provided for individuals by this Article and the costs for individuals of participation in such HMO plan. In the event the parties agree to provide such an individual choice, then with respect to employees who choose participation in such HMO plan, the Company will deduct from the pay of each such employee the amount, if any, by which the cost of such employee's participation in such plan exceeds the cost in such area of the Managed Care Medical benefits theretofore provided for such employee by this Article, as above determined, and the Company will pay to such plan the cost of such employee's participation in such plan. The parties agree that they will not unreasonably withhold agreement in reaching such mutual determination.

6. Notwithstanding the provisions in 2 and 4 above, when and if, during the term of this Agreement, any employee covered by this Agreement becomes entitled to apply for or to obtain health care or other medical, dental, vision, or surgical benefits by reason of the enactment by the United States or any state of the United States of a Governmental System of health security or medical service program ("Governmental System") for active employees, the parties shall promptly meet and undertake to negotiate a modification of the benefits under this Article of the type and character provided or available under such Governmental System in order to achieve or to assure the following results:

(a) No employee covered by this Article shall suffer any reduction in the level of any of the several health care benefits of this Article.

(b) The Company shall, without cost to the employee, provide a plan of benefits supplementary to those

available under such Governmental System to the extent necessary to make each benefit comparable to the corresponding benefit provided under this Article.

(c) When an employee or dependent covered by this Article is required by law to make contributions, whether in the form of direct taxes, personal premiums, levies or otherwise, specifically designated by law toward the cost of benefits under such a Governmental System, the Company, in addition to any contributions required of it by law, shall pay to or on behalf of such employee or dependent any such required contributions to the extent such contributions are for benefits covered by this Article.

(d) The Company will not be required to provide any benefits or make payment for any benefit to the extent that the employee or dependent covered hereby receives or would be able to receive such benefit as a matter of right and without means test of any kind if timely and proper steps had been taken to obtain the benefit or payment for the benefit under such Governmental System.

(e) To preclude any duplicating of benefits to employees or their dependents and to preclude any duplication of costs to the Company including the costs arising from Taxes and contributions of employees paid by the Company.

(f) To negotiate the disposition of any actual savings disregarding any increase or decrease in administrative cost which may accrue to the Company as a result of any such Governmental System.

ARTICLE XXIV. UNION BULLETIN BOARDS

The Company will provide union bulletin boards in the principal departments of, or at other suitable locations in, each plant and will post thereon notices (not larger than legal caption paper) of Union meetings and Union activities as may be submitted by the Union for such posting.

ARTICLE XXV. LEGAL RIGHTS

Nothing in this Agreement shall be construed as waiving any right or protection granted to the Company, the

Union, or any employee under any applicable federal or state law.

ARTICLE XXVI. SANITARY CONDITIONS

It is agreed that it is the responsibility of the Company to continue to furnish and maintain adequate ventilation, toilet facilities, wash bowls, and drinking fountains and facilities.

The Company and the Union shall form a joint subcommittee of the Safety Committee, not to exceed four in number, for the purpose of inspecting the above, not less frequently than once each month.

ARTICLE XXVII. SAFETY AND HEALTH

1. General

The Company, in compliance with applicable federal law, shall furnish to each employee employment free from recognized hazards that are causing or are likely to cause death or serious physical harm. Further, the Company shall comply with occupational safety and health standards promulgated under such law. It is intended that, consistent with the following functions of the safety and health committees, the International Union, Local Unions, union safety committees and its officers, employees and agents shall not be liable for any work-connected injuries, disabilities or diseases which may be incurred by employees. In this Safety and Health Article, the Union, through its various representatives, committees, officers, employees and agents, has been accorded certain participatory rights relating to employee safety and health; however, it is not the intention of the parties that these provisions or the Union's exercise of its rights thereunder shall in any way diminish the Company's exclusive responsibility. The Company and the Union will continue to cooperate toward the objective of eliminating accident and health hazards and will encourage employees to use the procedures stated herein in reaching this objective.

2. Safety and Health Committee

A representative Safety and Health Committee will function at each of the plants on a joint basis, the number of members to be agreed on locally and the union members to be selected by the Union. The committee shall assist, make recommendations to, and cooperate with the Safety Department of the plant. Departmental safety committees are encouraged to follow the principle of rotating members in order to achieve broad participation. The Union will appoint the union members. Where the union co-chair requests that a specific union departmental committee member be excluded from rotation because of special training or positive contribution to the committee, such request will be granted.

This committee will be guided by the principles of the eight point program set forth below:

A. Conduct monthly meetings for the sole purpose of discussing accident prevention and the health conditions of the plant. The Company will keep minutes and provide copies for the committee members. The Committee Co-chairs shall review the minutes prior to publication. At every third monthly meeting, the committee shall review and evaluate the activities of the previous period at which time the international union staff representative may attend.

B. Review published plant safety reports such as, relevant near miss and accident investigations and develop other data which would be useful in identifying accident sources and injury trends.

C. Recommend changes or additions to protective equipment or devices for the elimination of hazards.

D. Participate in the promotion and advertising of safety.

E. Review safety and health matters that have been raised by members of the bargaining unit as referred to in the third from the last paragraph of this Article.

F. Coordinate with the Management Environmental Steering Committee or the plant's equivalent.

G. Encourage employees to use procedures established by the Company and the Union to process matters relating to safety and health.

H. Review existing safety orientation and safety training activities for new employees as well as those existing safety training activities applicable to present employees who may change job classifications.

The Union shall certify its co-chair from the local bargaining unit. The union co-chair or the co-chair's designee from the Safety and Health Committee and the management co-chair or the co-chair's designee will jointly inspect work areas they deem appropriate on a day immediately prior to each monthly Committee meeting. It is understood that the purpose of the plant inspection is to assist the Company in satisfying its responsibility for work-connected injuries, disabilities, or diseases which may be incurred by employees. The union co-chair or the co-chair's designee from the committee will be accorded timely access to the plant work areas in the conduct of committee responsibilities but a standard of reasonableness must be met in the obtaining of permission to leave that individual's regular job, in the amount of time involved if it is during regular working hours, in the amount of disruption involved if other employees are to be contacted, and in the arranging for advance clearance to be in work areas other than the chair's own. The company co-chair may accompany the union co-chair or the co-chair's designees from the committee during such access.

The Safety Department and departmental management are responsible for effective and accurate accident and near accident investigation. Where lost time injuries are involved, the Safety Department and/or departmental management will send notification to the co-chairs or designees as soon as possible and no later than 24 hours from the time the Safety Department received knowledge of the injury. In the event of serious disabling accidents, the union co-chair of the Safety and Health Committee or designee shall be included among those on the list of those to be promptly notified. Such notification is made for the purpose of providing him/her an

opportunity to review the circumstances of the accident, which may include a site visit, in preparation for participating in item B of the eight point program.

When local plant conferences between any employees (including the union representative or representatives) and the local plant Management are held during his/her or their regular working hours, such conferences shall not result in any loss of time to any such employees. This would include any special conferences that the co-chairs mutually agree to arrange. Provided, however, where a superior practice now exists, it shall prevail.

3. Safety Equipment and Facilities

A. Protective devices, wearing apparel, and other equipment necessary to protect employees from injury shall be provided by the Company in accordance with practices now prevailing in each separate plant or as such practices may be improved from time to time by the Company. Where protective wearing apparel is sold to employees, it is understood that prices of such apparel as is sold in the plants to employees will be at such levels as to not assure profit to the Company. The Company will discuss significant intended improved practices with the Safety and Health Committee in advance of their implementation. Such discussions do not necessarily have to precede discussions of the same matters in the grievance procedure.

B. Effective June 01, 2001 each employee, other than a probationary employee, will be provided an allowance of $40.00 to purchase safety shoes for the employee's wear at the plant. On December 01, 2002 and June 01, 2004, each employee who on those dates has one year of accumulated departmental seniority shall receive an allowance of $40.00 to purchase safety shoes for the employee's wear at the plant. This benefit is in lieu of and supersedes any local practice or agreement to pay for shoes or metatarsals except where the employees have any superior conditions they may elect to retain the existing practice or agreement, and except where the Company is required by law to pay for such shoes and metatarsals.

This agreement is also applicable to employees in clerical and technical jobs who are required by the Company to wear safety shoes or metatarsals.

4. Employee Safety and Health Rights

The Company will continue to provide adequate access to first aid facilities and emergency medical treatment when necessary, as recommended by qualified medical personnel.

An employee hurt in an industrial accident will be paid for time lost during that shift, including any applicable overtime or shift premium, due to time required for medical treatment or due to being sent home for the balance of the shift by the Medical Department. If the employee is sent to the Plant Medical Department and is required to remain in the Medical Department for medical examination or treatment beyond the end of that shift, such time shall be paid by the Company in accordance with practices now prevailing in each separate plant or as such practices may be improved from time to time by the Company.

If an employee shall believe that there exists an unsafe condition, changed from the normal hazards inherent in the operation, so that the employee is in danger of injury, he/she shall notify his/her supervisor of such danger and of the facts relating thereto. Thereafter, unless there shall be a dispute as to the existence of such unsafe condition, such employee shall have the right, subject to reasonable steps for protecting other employees and the equipment from injury, to be relieved from duty on the job about which he/she has complained and to return to such job when such unsafe condition shall be remedied. If the existence of such alleged unsafe condition shall be disputed, the chair, or his/her designee of the Grievance Committee and the works manager or his/her representative shall immediately investigate such alleged unsafe condition and determine whether it exists. If they shall not agree and if the chair of the Grievance Committee is of the opinion that such alleged unsafe condition exists, the employee shall have the right to present a grievance in writing to the works manager or his/her representative and thereafter to be relieved from

duty on the job as stated above. Such grievance shall be presented without delay directly to the Board of Arbitration under the provisions of Article XIX of this Agreement, which shall determine whether such employee was justified in leaving the job because of the existence of such an unsafe condition. If an employee is relieved from duty on the job as stated above, the Company will make a reasonable effort to advise any potential replacement of the grounds upon which the job was challenged as unsafe, until the outcome of such dispute is determined.

Other matters pertaining to unsafe conditions may be entered in the grievance procedure on a regular basis or, after notifying the supervisor in charge so that he can investigate and respond within a reasonable time, registering the matter with the Health and Safety Committee if the supervisor's response is unsatisfactory.

5. Advisory and Review Procedures

The Health and Safety Committee may contact and use the Management Environmental Steering Committee, or the plant's equivalent, as a technical and advisory resource in the area of ventilation, temperature control, fumes, smoke, toxic or corrosive substances, flammable materials, chemicals, solvents, and compounds. Specifically, the Management Environmental Steering Committee, or the plant's equivalent is available to indoctrinate the Health and Safety Committee in matters pertaining to acceptable health levels and techniques of monitoring environmental control. It is also expected that the Steering Committee will have occasion to communicate with individual employees and groups of employees concerning implementation of Occupational Safety and Health Act of 1970. Any unresolved issues may be entered at the second step of the grievance procedure.

Representatives of the International Union Health, Safety and Environment Department and corporate representatives of the Company's Health and Environmental Department may meet annually to review the effectiveness of safety and health activities.

The international director or his/her designee may arrange to make a plant visitation by contacting the

corporate office of the vice president of Environment and Health.

The Company will provide the International Union Health, Safety and Environment Department with timely notification of any accident resulting in a fatality to an individual in a location where there are employees represented by a bargaining unit in the United States. This notification shall include the date of the fatality, the plant location, the bargaining unit, and if known, the circumstances of the fatality.

The Company will provide the International Union Health, Safety and Environment Department with a copy of the fatal accident report that is given to the local Union concerning any member of its bargaining unit.

Furthermore, the Company will provide each year to the International Health, Safety and Environment Department copies of applicable OSHA Form 200, Summary of Occupational Injuries and Illness reports or equivalent.

ARTICLE XXVIII. JURY AND WITNESS PAY

An employee who is called for jury service or as a result of being subpoenaed as a witness in a court of law shall be excused from work for the days on which he serves and he shall receive, for each such day of jury or witness service on which he otherwise would have worked, eight (8) times his average straight time hourly earnings for such days of jury or witness service. An employee will not receive pay under this Article when it duplicates pay received for time not worked for any other reason. The employee will present proof of each such day's service.

ARTICLE XXIX. BEREAVEMENT PAY

When death occurs in an employee's immediate family (i.e., employee's legal spouse, mother, father, mother-in-law, father-in-law, son, daughter, brother, sister, grandparents, stepparents, stepchildren, stepbrother, stepsister, half-brother, or half-sister) an employee, upon request, will be excused for up to three (3) days (or for such fewer days as the

employee may be absent) on which he otherwise would have worked. Such days must fall within one six (6) consecutive day period encompassing either the death or the funeral or the memorial service in lieu of the funeral. After making written application therefore and providing that the relationship is one which is comprehended herein, the employee shall receive pay for any such scheduled shift (up to eight hours) provided he attends the funeral or memorial service in lieu of the funeral. Payment shall be made at the employee's regular straight time hourly rate on the last immediately preceding scheduled day worked excluding shift premium, overtime, and incentive earnings. An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay liability.

ARTICLE XXX. INCOME MAINTENANCE PROGRAM

The Income Maintenance Program is designed to provide a guaranteed level of rate protection for eligible employees whose average job grade has been lowered solely through involuntary demotion resulting from a reduction of forces. This rate protection will be provided for pay periods following January 1, 1978, by the payment of an Income Maintenance Allowance which, when added to the employee's average job grade rate for hours worked in a quarter, will increase such average job grade rate to a specified percentage of the current rate applicable to the employee's average job grade established during a base period preceding such quarter.

Section 39. Definitions

For purposes of the Income Maintenance Program, the following terms are intended to have the meaning set forth below:

A. "Base Year" -- The 52 pay periods prior to the first pay period commencing in December of the year preceding the end of any benefit quarter.

B. "Benefit Quarter" -- The 13 pay periods preceding the first pay period commencing in March, June, September, and December.

C. "Eligible Employees" -- Employees who have two or more years of accumulated departmental seniority as of the end of the last pay period in a Benefit Quarter and who have worked 160 or more hours during the Base Year.

D. "Base Year Job Grade" -- The employee's average job grade during the Base Year as determined by weighing the job grade paid for each job in which the employee was payroll classified by the hours worked while so classified, except that:

> should the employee, during the Base Year or any subsequent Benefit Quarter, through "voluntary means" become payroll classified in or retain any job grade lower than that determined above, such lower job grade shall immediately become his Base Year Job Grade for purposes of this program. "Voluntary means" includes but is not limited to bidding down, refusal of a restoration, or refusal of a promotion which in accordance with local practices an employee would normally be expected to seek.

Temporary assignments to classifications paid a higher or lower job grade than that of an employee's regular job shall not be considered.

E. "Benefit Quarter Job Grade" -- The employee's average job grade during the Benefit Quarter as determined by weighing the job grade paid for each job in which the employee was payroll classified during the Benefit Quarter by the hours worked while so classified. Temporary Assignment consideration shall follow the principles noted above under "Base Year Job Grade."

F. "Base Year Rate" -- The standard hourly wage rate in effect during the Benefit Quarter for the Base Year Job Grade. Interpolation shall be used between values on the Standard Hourly Wage Rate Schedule to determine the appropriate rate to the nearest tenth of a job grade.

G. "Benefit Quarter Rate" -- The standard hourly wage rate in effect during the Benefit Quarter for the Benefit Quarter Job Grade. Interpolation shall be used between values on the Standard Hourly Wage Rate Schedule

to determine the appropriate rate to the nearest tenth of a job grade.

H. "Income Maintenance Allowance" -- An amount of money to be calculated each Benefit Quarter as noted below and paid to eligible employees at the same time normal payment is made at the location involved for the first pay period commencing in the months of March, June, September, and December.

Section 40. Benefit Calculation

The Income Maintenance Allowance shall be calculated as follows: The employee's Base Year Rate during the Benefit Quarter shall be multiplied by the appropriate percentage specified in the table below. The resulting rate represents the income security guarantee provided by the program to eligible employees for the hours worked during the Benefit Quarter. If the employee's Benefit Quarter Rate equals or exceeds the guaranteed rate, no Income Maintenance Allowance is payable for the Benefit Quarter. If the employee's Benefit Quarter Rate is less than the guaranteed rate, the Income Maintenance Allowance shall be determined by multiplying the difference between the guaranteed rate and the Benefit Quarter Rate by the hours worked during the Benefit Quarter. The amount so determined shall then be paid to eligible employees as noted above.

I.M.A. PERCENTAGE TABLE

Accumulated Departmental Seniority At End of Benefit Quarter	**Base Year Job Grade Percentage**
2 yrs. but less than 10	90
10 yrs. or more	95

Section 41. General

A. No Income Maintenance Allowance shall be payable to any individual for a Benefit Quarter during which his seniority is terminated under any of the provisions of Article VIII, Section 17 of the Labor Agreement.

B. Money paid as an Income Maintenance Allowance shall not be used in the base for calculation of overtime (except where statutorily required), premium pay, benefits, or other pay additive except in those cases where benefit levels are determined by reference to annual earnings.

ARTICLE XXXI. PERIOD OF AGREEMENT

Except as otherwise provided below, this Agreement shall terminate 60 days after either party shall give written notice of termination to the other party, but in any event shall not terminate earlier than 12:00 noon, or at the end of the shift starting before noon, whichever is later, May 31, **2006, subject to a reopener in 2005.**

If either party gives such notice, it may include therein notice of its desire to negotiate with respect to pensions (existing provisions or agreements as to pensions to the contrary notwithstanding), and the parties shall meet within 30 days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of 60 days after the giving of such notice, either party may thereafter resort to strike or lockout as the case may be in support of its position in respect to such matters as well as any other matter in dispute, but not earlier than noon, May 31, **2006** (the existing agreements or provisions with respect to pensions to the contrary notwithstanding).

Dated: June 1, 2001

FOR THE COMPANY:

A. C. Renken
P. D. Thomas
J. W. Collins, III
M. Coleman
H. Petrie
E. T. Woloshyn
J. Quaglia
M. C. McAdoo
G. B. Freehling
A. E. Isaac
K. R. Dorfman
T. D. Thurman
C. W. Ward

FOR THE UNION:

Leo Gerard, President
Richard H. Davis, Vice President - Administration
Jim English, Secretary-Treasurer
Leon Lynch, Vice President – Human Affairs
John Murphy, Special Assistant to the President
Terry Bonds, Director, District 12
Lou Thomas, Director, District 4
Andrew Palm, Director, District.10
Jessee L. Sharber, Local 104
David Willett, Local 104
Larry Shoultz, Local 105
Donald G. Barnett, Local 115
Lawrence P. Fountaine, Local 420
Tom Southall, Local 445

INTERNATIONAL UNION HEADQUARTERS PERSONNEL:

Patti Seehafer, Safety & Health Representative
Karen Feldman
Jim Fredrick

DAVENPORT
APPENDIX I
STANDARD HOURLY RATES

	Rate Effective 6/4/01	Rate Effective 6/3/02	Rate Effective 6/2/03	Rate Effective 6/7/04
1 and 2	13.528	13.628	13.901	14.001
3	13.679	13.789	14.064	14.174
4	13.829	13.949	14.228	14.348
5	13.980	14.110	14.392	14.522
6	14.131	14.271	14.556	14.696
7	14.281	14.431	14.720	14.870
8	14.432	14.592	14.884	15.044
9	14.583	14.753	15.048	15.218
10	14.733	14.913	15.212	15.392
11	14.884	15.074	15.376	15.566
12	15.035	15.235	15.539	15.739
13	15.185	15.395	15.703	15.913
14	15.336	15.556	15.867	16.087
15	15.487	15.717	16.031	16.261
16	15.637	15.877	16.195	16.435
17	15.788	16.038	16.359	16.609
18	15.939	16.199	16.523	16.783
19	16.089	16.359	16.687	16.957
20	16.240	16.520	16.851	17.131
21	16.391	16.681	17.014	17.304
22	16.541	16.841	17.178	17.478
23	16.692	17.002	17.342	17.652
24	16.843	17.163	17.506	17.826
25	16.993	17.323	17.670	18.000
26	17.144	17.484	17.834	18.174
27	17.295	17.645	17.998	18.348
28	17.446	17.806	18.162	18.522
29	17.596	17.966	18.325	18.695
30	17.747	18.127	18.489	18.869
31	17.898	18.288	18.653	19.043
32	18.048	18.448	18.817	19.217
33	18.199	18.609	18.981	19.391

APPENDIX II
DAVENPORT WORKS

List of Job Classifications to be used in conjunction with Article IX -- REDUCTION OF FORCES and Article XI -- RECALL AND RESTORATION OF FORCES of this Agreement.

Division or Department	**Job Title**
Ingot	Equipment Operator
Hot Rolling	Equipment Operator Specialist
Plate Mill	Servicer
	Pack Specialist
Flat Sheet	Servicer
Coil Sheet	Servicer
IPS	Enclosing Specialist
FSD	Janitor

APPENDIX III
COST OF LIVING

1. For purposes of this Agreement:

"Consumer Price Index" refers to the "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) -- United States -- All Items (1967 = 100)" published by the Bureau of Labor Statistics, U.S. Department of Labor.

"Consumer Price Index Base" shall be determined as follows:

(i) For the **June 4, 2001, September 3, 2001, December 3, 2001, and March 4, 2002** Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of January **2001** published by BLS in February **2001** as **511.6**, multiplied by 103.0%.

(ii) For the **June 3, 2002, September 2, 2002, December 2, 2002, and March 3, 2003** Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of January **2002**, multiplied by 103.0%.

(iii) For the **June 2, 2003, September 1, 2003, December 1, 2003, and March 1, 2004** Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of January **2003**, multiplied by 103.0%.

(iv) For the **June 7, 2004, September 6, 2004, December 6, 2004 , and March 7, 2005** Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of January **2004,** multiplied by 103.0%.

"Adjustment Dates" are **June 4, September 3, and December 3, 2001; March 4, June 3, September 2, and December 2, 2002; March 3, June 2, September 1, and**

December 1, 2003; March 1, June 7, September 6, and December 6, 2004; and March 7, 2005.

"Change in the Consumer Price Index" is defined as the difference between (i) the Consumer Price Index Base and (ii) the Consumer Price Index for the second calendar month next preceding the month in which the applicable Adjustment Date falls.

2. Cost-of-Living Adjustment: Effective on each Adjustment Date a Cost-of-Living Adjustment equal to 1¢ per hour for each full .3 of a point change in the Consumer Price Index shall be calculated. In calculating the adjustments, if any, for **June, September and December 2001 and March 2002,** there shall be added to the calculated amount a fixed carryover amount of **ninety-seven cents ($.97).** In calculating the adjustments, if any, for **June, September, and December 2002**, and **March 2003**, there shall be added to the calculated amount an amount equal to the Cost-of-Living Adjustment, if any, which was payable on **March 4, 2002**. In calculating the adjustments, if any, for **June, September, and December 2003**, and **March 2004,** there shall be added to the calculated amount an amount equal to the Cost-of-Living Adjustment , if any, which was payable on **March 3, 2003.** In calculating the adjustments, if any, for **June, September, and December 2004**, and **March 2005,** there shall be added to the calculated amount an amount equal to the Cost-of-Living Adjustment, if any, which was payable on **March 1, 2004**.

Effective on each Adjustment Date, the Cost-of-Living Adjustment as determined above shall become payable for all hours worked by an hourly-rated employee until the next Adjustment Date. The Cost-of-Living Adjustments under this paragraph shall be considered an "add-on" and shall not be deemed part of the employee's standard hourly rate. Such adjustment shall be included with the hourly rate only in the calculation of pay for hours worked (including overtime hours) and allowed time in accordance with Sections 17 and 18.

3. Should the monthly Consumer Price Index in its present form and on the same basis as the Index published for **January 2001** become unavailable, the parties shall attempt to adjust this Section or, if agreement is not reached, request the Bureau of Labor Statistics to provide an appropriate

conversion of adjustment, which shall be applicable as of the appropriate Adjustment Date and thereafter.

APPENDIX IV
PERFORMANCE PAY

During 2001 negotiations, it was agreed that the Performance Pay Plan would continue to provide for participation by hourly employees represented by the Union in the plants located at Davenport, Lafayette, Lebanon, Massena, Warrick, Wenatchee, Arkansas, Badin, Point Comfort, Rockdale and Tennessee and would begin, effective 1/1/2002, to provide for participation by hourly employees represented by the Union in the plants located at Richmond Foil, Massena (St. Lawrence), Louisville 1 and 15, Hot Springs, Gum Springs, and Baton Rouge.

PURPOSE AND PHILOSOPHY

The purpose of Performance Pay is to share profits and gains while focusing employees in a Business Unit/Location on business goals that are critical to that Business Unit/Location. Working together and achieving Business Unit/Location goals will result in increased profitability for the business and monetary reward to employees. The intent is that all employees in a Business Unit/Location will have the same goals for Performance Pay to achieve a common focus on key performance goals and congruency of employee treatment.

Guiding Principles for Performance Pay

- The design and goals will be consistent with the Business Unit/Location's business strategies and with Alcoa's Vision and Values.

- The design and goals should support teamwork and employee involvement, be perceived as fair, and be easily understood by employees.

- All employees in a Business Unit/Location will have their Performance Pay payout based on the same Performance Measures

- **The award opportunity will be based on the performance of the Business Unit/Location**

- Variable compensation payouts will supplement the negotiated base level of wages.

I. ELIGIBLE EMPLOYEE

An Eligible Employee is an hourly employee covered by this Agreement who had actual hours working during the payroll weeks disbursed in the Year and who either had employee status on December 31 of the Year or whose employee status terminated during the Year due to death or retirement.

II. EFFECTIVE DATE

Performance Pay will be applicable for the remainder of 2001, and for the duration of the Agreement for employees located at Davenport, Lafayette, Lebanon, Massena, Warrick, Wenatchee, Arkansas, Badin, Point Comfort, Rockdale and Tennessee. It will be applicable commencing January 1, 2002 and for the duration of the Agreement for employees located at Richmond Foil, Massena (St. Lawrence), Louisville 1 and 15, Hot Springs, Gum Springs, and Baton Rouge.

III. DESIGN

1. General

The design requires that a range of performance improvements be established for each Performance Measure (financial or non-financial) that in turn translates to a range of payout opportunity for employees. Higher levels of performance results provide for higher levels of payout as a percentage of employee Eligible Earnings.

The normal payout range for Performance Pay is up to 10.0% of Eligible Earnings.

The design provides that the award opportunity will be based on Business Unit/Location measurements.

2. Business Unit/Location Performance

Each Year, a joint Company/Union committee at each location will meet to review, discuss, and provide input to the set of Performance Measures, together with a threshold, target, and maximum value for each measure, which will become the basis for the Business Unit/Location payout for that Year. If more than one Performance Measure will be used, the committee will recommend a relative weight to each measure. The weights of the Business Unit/Location Performance Measures must sum to **100%.**

If the joint committee is unable to agree on Performance Measures, management will determine and implement the measurements, performance ranges, and weightings applicable to all employees at the location including bargaining unit employees for that Year, provided however, that such measurements, performance ranges, and weightings shall be no more difficult to achieve than those last proposed by management in the joint committee.

3. Payout Opportunities

The range of Performance Measures and the range of payout percents form the basis for payout opportunities.

If Business Unit/Location Performance fails to reach its threshold, no Performance Pay payout will be made.

2.5% of Eligible Earnings will be the payout should Business Unit/Location Performance be at the threshold of the range.

5.0% of Eligible Earnings will be the payout should Business Unit/Location Performance be at target.

10.0% of Eligible Earnings will be the payout should Business Unit/Location Performance be at maximum.

For Business Unit/Location Performance which falls between the threshold and maximum values, the payout percent will be calculated by interpolation.

Beginning 1/1/02, if a Business Unit/Location chooses to use a financial Performance Measure, such as Return on Assets or Return on Capital, performance against that measure will be uncapped.

IV. DEFINITIONS

For purposes of Performance Pay, the following definitions are established:

1. BUSINESS UNIT/LOCATION....means a business unit, plant location, or organizational unit within a location.

2. BUSINESS UNIT/LOCATION PERFORMANCE....are goals which will be determined locally and communicated to all participants normally at the beginning of the Year. Business Unit/Location Performance Measures may be financial, non-financial, or a mix.

3. ELIGIBLE EARNINGS....means the sum of straight time hourly base wages (for straight time hours and overtime hours); straight time cost-of-living allowance (for straight time hours and overtime hours); straight time shift and schedule premiums (for straight time hours and overtime hours); vacation pay; unworked holiday pay; and jury, witness, and bereavement pay.

   The definition of Eligible Earnings for an Eligible Employee who is on disability attributable in whole or in part to his or her employment with the Company, shall include the time lost and the straight time earnings associated with that time lost at a rate not to exceed 8 hours per day or 40 hours per week.

The definition of Eligible Earnings for an Eligible Employee who is a local union official who is on an excused absence for union business and who otherwise would be actively at work shall include the time lost and the straight time earnings associated with that lost time at a rate not to exceed 8 hours per day or 40 hours per week.

The period used to determine Eligible Earnings for a Year shall encompass the same payroll weeks used in the determination of the Year's W-2 earnings.

4. ELIGIBLE EMPLOYEE....is an hourly employee covered by this Agreement who had actual hours worked during the payroll week disbursed in the Year and who either had employee status on December 31 of the Year or whose employee status terminated during the Year due to death or retirement.

5. **PERCENT OF TARGET ATTAINED....is the rate of actual results to target value for Business Unit/Location Performance Measures, with values of 50% at threshold, 100% at target, and 200% at maximum.**

6. **PERFORMANCE MEASURES.... are the set of Business Unit/Location financial and/or non-financial measures upon which any payout is based. If more than one Performance Measure will be used, each of the measures must be weighted in importance, the sum of the weights totaling 100%. Beginning 1/1/02, performance related to financial measures such as Return on Assets or Return on Capital will be uncapped.**

7. YEAR....means the 12-month period beginning January 1 and ending on

December 31 for the Year **2002** and each additional Year for the duration of the Agreement.

V. CALCULATION OF THE PERFORMANCE PAY PAYOUT

At the end of each Year, full-year results will be used to calculate a Performance Pay payout, with attainment against Business Unit/Location Performance Measures as the basis for the payout.

A worksheet has been prepared for the calculation of the Performance Pay payout.

The actual result for each Performance Measure will be compared to its range of performance to determine a Percent of Target Attained, as follows:

- **A result which is below the threshold will result in a Percent of Target Attained of zero (0%);**
- **For a result which is between the threshold and maximum value, interpolation will be used to determine the Percent of Target Attained;**
- **For a result against a non-financial measure which meets or exceeds the maximum, a Percent of Target Attained of 200% will be used;**
- **For a result against a financial measure which meets the maximum, a Percent of Target Attained of 200% will be used;**
- **Beginning 1/1/02, for a result against a financial measure which exceeds the maximum, a Percent of Target Attained will be calculated by extrapolating from the maximum using the slope of the line between the target and maximum values.**

The Percent of Target Attained for each Business Unit/Location Performance Measure will be multiplied by the weight assigned to it to determine a total Business Unit/Location Percent of Target Attained.

The Business Unit/Location Percent of Target Attained will be multiplied by 5.0% to determine the payout percentage.

An employee's Performance Pay payout will be calculated by multiplying his/her Eligible Earnings by the payout percentage.

VI. ADMINISTRATION OF THE PERFORMANCE PLAN

The information necessary to administer the provisions of Performance Pay will be prepared and maintained by the Company. The costs associated with its administration will be borne by the Company.

Communication

The parties believe that it is important for participants in Performance Pay to understand the relevant goals, thresholds and maximum performance levels to understand the Business Unit/Location focus and their potential payout opportunities.

Administration

In the event an employee quits or is terminated during the Year, no payout shall be paid. In the event of death, disability, retirement or layoff, an employee's award will be calculated on actual Eligible Earnings.

In the event an employee is transferred between Business Unit/Location, the payout shall be pro-rated for the number of whole weeks worked in each unit, based on the employee's job classification for each week.

Payouts will be determined annually and shall be determined and paid as soon as practical after the close of the calendar Year.

The Company and Union may agree that, for a specific Business Unit/Location, calculation and payout of Performance Pay awards may occur more frequently than on an annual basis. Any such payout schedule will be based on Eligible Earnings received during the shorter payout period.

The determination of accounting policies in regards to Performance Pay shall be at the sole discretion of the Company. Such policies shall be applied in accordance with accounting practices of the Company.

The Compensation Committee of Alcoa's Board of Directors has the authority to make adjustments to results because of unusual events. Business Unit/Location management and bargaining unit representatives will be provided the opportunity to give input for consideration for such adjustments. Such events might include the purchase or sale of business assets that was not planned when goals were set for that Year, plant shutdowns, etc. It is intended that, once a commitment has been made to goals, changes will not be entertained except in truly unusual situations.

The Performance Pay calculations for each business unit and corporate performance for each Year will be communicated to the Union prior to payment.

A report of such calculations, when accompanied by a certification by the Controller of the Company that the Performance Pay calculations are in accordance with the provisions of Performance Pay, shall be final and binding on the Union, participants, beneficiaries, and the Company.

Payments of Performance Pay shall not be considered earnings for any other purpose, except as subject to the applicable statutory taxes on income.

The provisions governing Performance Pay shall not be subject to the grievance and arbitration procedures of the Labor Agreement.

This Agreement has been reached on the basis that the Union will ensure that, until and only to the extent the information is made available by the Company to the public at large, the information will be disclosed only to those reviewing for the Union the computations related to Performance Pay and neither the Union nor anyone reviewing such information for the Union will make any other disclosure of the information.

It is the intent and understanding of the parties that Performance Pay provide a vehicle for sharing profits, and should payment of Performance Pay, or any part of such payment, be required to be included in the regular rate under the Fair Labor Standards Act of any eligible hourly employee, the Company will reduce applicable percentages and adjust individual payout amounts such that the total payout for the applicable Year for each Business Unit/Location for bargaining unit employees will not be changed by such decision. The parties shall make any and all adjustments to this document as may be necessary from time to time to ensure that the intent and understanding is upheld.

APPENDIX V
NEUTRALITY

Section 1. Intent

Over the years, the Company and the **United Steelworkers of America** ("Union") have developed a constructive and harmonious relationship built on trust, integrity, and mutual respect. The Company places high value on the continuation and improvement of its relationship with the Union as well as with all of its employees.

We also know from experience that when both parties are involved in an organizing campaign directed at unrepresented Company employees, there is a risk that election conduct and campaign activities may have a harmful effect on the parties' relationship. Therefore, it is incumbent on both parties to take appropriate steps to insure that all facets of an organizing campaign will be conducted in a constructive and positive manner which does not misrepresent to employees the facts and circumstances surrounding their employment and in a manner which neither demeans the

Company or the Union as an organization nor their respective representatives as individuals.

To underscore the Company's commitment in this matter, the Company agrees to adopt a position of neutrality in the event the Union seeks to represent any unorganized production and maintenance employees at facilities of the Company engaged in types of businesses in which the Union currently represents production and maintenance employees under this Master Agreement. This Neutrality Agreement shall only apply to facilities where the Company has an ownership interest greater than fifty percent (50%) and operating responsibility.

Neutrality means that the Company shall neither help nor hinder the Union's conduct of an organizing campaign, nor shall it in providing information or expressing an opinion demean the Union as an organization or its representatives as individuals. Also, the Company shall not provide any support or assistance of any kind to any person or group opposed to Union organization. **Should the Company hold meetings with employees covering an organizing campaign during the campaign period, a union organizer may attend such meetings for the purpose of observation only.**

Consistent with the above, the Company reserves the right to communicate fairly and factually to employees in the unit sought concerning the terms and conditions of their employment with the Company and concerning legitimate issues in the campaign.

For its part, the Union agrees that all facets of its organizing campaign will be conducted in a constructive and positive manner which does not misrepresent to the employees the facts and circumstances surrounding their employment and in a manner which neither demeans the Company as an organization nor its representatives as individuals.

Section 2. Notice of Intent to Organize

The Union will give the Company's Director of Industrial Relations written notice of the Union's intent to organize a facility subject to this Neutrality Agreement.

Upon receipt of such notice, the Company shall meet with the Union to exchange information that might be pertinent to an organizing effort. During this meeting, the parties will discuss the scope of the proposed collective bargaining unit, employees to be excluded from the unit, campaign issues, etc. Union access to the plant may also be addressed at this notice of intent meeting. The Company reserves the right to challenge any issues relating to the scope and makeup of the unit sought by the Union by invoking the Dispute Resolution procedure described below. To minimize disputes about the scope of collective bargaining units, the Company and the Union agree that the National Labor Relations Board's case law regarding the composition of collective bargaining units is incorporated into this Neutrality Agreement by reference. Upon reaching an agreement on all outstanding issues, the Company will give the Union a list of the names and addresses of the production and maintenance employees in the agreed-upon proposed collective bargaining unit, as well as a description of their wages and benefits.

Upon receiving the Union's notice of intent to organize, the Company may send a letter to members of the proposed collective bargaining unit describing the neutrality process contained in this Agreement, as well as the results of signing a Union authorization card.

Section 3. Campaign Period and Union Access to Company Facilities

The campaign period shall not exceed forty-five (45) days and shall commence upon the Union's receipt of the names, addresses, and wage and benefit information described above in Section 2. The Company and the Union will agree upon reasonable times and reasonable places at the plant premises where the Union can campaign. The Company and the Union will review all Company and Union campaign literature prior to its distribution.

Section 4. Union Authorization Cards

For purposes of this Neutrality Agreement, only cards signed after the notice of intent has been served may be counted as valid cards. The Union's authorization cards will clearly state that the card may be used for the purpose of obtaining:

(a) an NLRB-sponsored election where a simple majority of votes will create a duty to bargain;

(b) a secret ballot election conducted in cooperation with the Company where a duty to bargain will arise if the Union receives votes from a majority of the eligible voters in the proposed collective bargaining unit; or

(c) recognition on the basis of a card check where a duty to bargain will arise if the Union receives cards from at least sixty-five percent (65%) of the employees in the proposed collective bargaining unit.

Section 5. Struksnes Election

If, at any time during the campaign period, the Union represents that it has obtained cards from a majority of the employees in the agreed-upon collective bargaining unit, the parties will schedule a secret ballot election to take place no later than seven days from such notice to the Company by the Union. The Company will provide an opportunity for both the Union and the Company to make short presentations to groups of employees in the proposed collective bargaining unit. Such presentations will be reviewed by the parties in advance.

After the presentations to the employees, the employees will be given an opportunity to participate in a secret ballot election for the purpose of determining whether the Union will represent employees in the proposed collective bargaining unit. The election shall be conducted in accordance with Struksnes Construction Company. This means: (1) the Union must formally demand recognition and advise the Company that it has authorization cards from a majority of the employees in the agreed-upon proposed collective bargaining unit; (2) the employees must be told that the purpose of the election is to determine whether the Union has majority status; (3) the Company will give employees assurances that there will be no reprisals for engaging in protected activity; (4) the employees will be polled by secret ballot; and (5) there may be no unfair labor practices or other activity that creates a coercive atmosphere. The Company will recognize the Union as the representative of the proposed

collective bargaining unit if a simple majority of the employees in the proposed collective bargaining unit cast votes to be represented by the Union.

If the Union does not obtain votes demonstrating that it represents a majority of the proposed collective bargaining unit, or if the Union does not claim that it represents a majority of the employees in the collective bargaining unit within the forty-five (45) day campaign period, the Union will be barred from filing another notice of intent to organize that facility and from filing an NLRB petition for an election at that facility for twelve (12) months from the date of the Struksnes election or the close of the campaign period.

Section 6. Card-Check Recognition

Any time during the campaign period, the Union may demand recognition on the basis of authorization cards if the Union asserts that it has cards from at least sixty-five percent (65%) of the employees in the proposed collective bargaining unit. The authorization cards must be dated subsequent to the notice of intent and comply with the language requirements of Section 4 above. The Company and the Union shall choose one of the following methods to verify the authenticity of the cards: (a) the Company and the Union may mutually agree upon a third party who will count the cards and compare the signatures on the cards to exemplars furnished by the Company; or (b) the Company and the Union shall ask the American Arbitration Association to select an individual to count the cards and compare the signatures on the cards to exemplars furnished by the Company. The individual who counts the cards will only inform the parties whether or not there are valid cards from at least sixty-five percent (65%) of the employees in the agreed-upon collective bargaining unit and shall not inform the Company of the precise number of cards. If the Union obtains valid cards from at least sixty-five percent (65%) of the employees in the agreed-upon collective bargaining unit, the Company shall recognize the Union as the exclusive collective bargaining representative of such employees without a secret ballot election.

If the Union does not obtain cards from sixty-five percent (65%) of the employees in the proposed collective bargaining unit as a result of the card check, or if the Union does not claim that it has cards from sixty-five percent (65%)

of the employees in the proposed collective bargaining unit within the forty-five (45) day campaign period, the Union will be barred from filing another notice of intent to organize that facility and from filing an NLRB petition for an election at that facility for twelve (12) months from the date of the card check or the close of the campaign period.

Section 7. Dispute Resolution

This Neutrality Agreement shall not be subject to the grievance and arbitration provisions or the no strike/no lockout provision of the collective bargaining agreement. Instead, any disputes arising under this Neutrality Agreement shall be submitted to the **the Chief Executive Officer or his/her designee and the International President of the United Steelworkers of America or his/her designee.**

If another union begins an organizational effort or claims representation rights, either party may cancel this Neutrality Agreement as it applies to that particular organization campaign.

APPENDIX VI
ALCOA COOPERATIVE PARTNERSHIP AGREEMENT

Purpose and Intent

The Company and the Union recognize the value of and commit to work together through a joint decision making process to develop a labor-management partnership which serves the interests of employees, consumers and stockholders and promotes employment security, employee involvement in the identification and solution of business problems, customer satisfaction, open communications, mutual trust and understanding. The parties are responsible for working together to reach joint decisions concerning issues regarding customer requirements, business objectives and stockholder and Union interests. This commitment to working together, on an ongoing basis, must extend from the Company and Union executive offices to the shop floor and be driven by a shared vision of the need for continuous improvement in joint decision-making processes, employee participation, the parties' relationship, and all aspects of the business. The

commitment to this decision-making, as further detailed below, is mandatory for both parties for the life of the current labor agreement. All employees must have greater safety, security, influence, control, and accountability for their immediate work environment as well as the knowledge, resources, skills, and information required to effectively and cooperatively meet these challenges.

It is the intent of the parties that cooperative partnership will result in an improved quality of work life that recognizes the worth and dignity of all employees, facilitates their individual growth and development and recognizes the need for each employee to contribute fully toward the success of the business. Just as the Union is concerned with the competitive problems and continuous improvement needs of the Company, the Company is equally concerned with the employment security of the work force.

The parties acknowledge that this Agreement is a "living" document that will evolve throughout the life of the contract to best meet the requirements of changing circumstances. Its principles, however, are intended to carry through future contract periods.

Principles

This Agreement reflects our mutual commitment and is based on the following principles:

- The viability of the business and the Union depends on becoming the safest highest quality supplier of competitively priced aluminum products delivered on time. To achieve such a reality, the experience, skill, intelligence, and commitment of each employee will be needed and must be fully utilized to ensure continuing improvement for the best long-term interest of all.

- Employees are responsible and trustworthy. An environment must be fostered where all employees are treated in accord with this principle on a daily basis. The parties will take steps to build a truly participative joint decision-making and

problem-solving style that recognizes that employees provide a competitive advantage.

- Employees and the Union should be provided with the necessary information in a timely fashion, and the training to use that information effectively, so they can make effective decisions regarding their sphere of responsibility.

- The parties recognize that a cooperative partnership, though necessary, is not by itself adequate to meet the competitive demands of the world market.

- Both parties recognize that the implementation of cooperative partnership is an extremely difficult task which must be approached realistically and patiently. The parties agree that, if the business is to prosper and provide employee satisfaction and long-term security, cooperative partnerships must be pursued as quickly as possible to maximize opportunities to resolve problems and to produce products at lower costs, higher quality, and delivered on time.

Partnership Structure

The parties recognize that successful partnership requires the establishment of an appropriate organizational structure at both the top levels and the local levels of their organizations. Such structure must include defined roles and responsibilities for the participants at both levels.

The parties recognize that the changes contemplated by this Agreement must evolve. Accordingly, the local parties must have the flexibility to design participative structures that best meet their needs and that can change as changed circumstances and experience warrant. Further, where participative structures are already in place, the local parties recognize that it may be in their best interest to retain such structure so long as they meet the objectives of the Agreement.

Top-Level Structure

A top-level committee will be established in order to further partnering at the top levels of the Company and the Union, and to properly guide local cooperative partnerships. The committee will be comprised of Company and Union(s) representatives. This committee will provide oversight, ensure that the local parties are assisted as needed, and discuss related topics of mutual concern. The representatives on this committee will be designated by the Co-chairmen of the respective Company and Unions' Negotiating Committees. The top-level committee will meet as needed, but no less than quarterly, in order to ensure that the full intent of this Agreement is consistently implemented and administered. The committee will address such subjects as safety and health measures; strategic plans; technological changes and plans; staffing levels; customer evaluation; major organizational issues; and facilities utilization.

Top-Level Roles and Responsibilities

It is recognized that in order for this committee to function effectively, timely information regarding the above subjects must be shared with the Union, subject to an agreed upon confidentiality agreement. Shared information will be timely and specific to the needs of the top-level parties about the business, plant performance, capital improvements, new technologies and products, future skills needs, customer satisfaction, and competitive issues.

The top-level committee will provide assistance and necessary resources to the local parties in order that the objectives of this Agreement are achieved and will develop appropriate measures in order to evaluate objectively the top-level and local partnership efforts. In addition, the top-level committee will provide guidance to the local parties concerning such matters as safety, leadership, problem-solving, training, new and innovative organization designs, and the potential impacts on the organization of new technology. The top-level committee will also review issues and concerns relative to this Agreement brought to it by the local parties.

Local Structure

The local parties are committed to enter into a cooperative partnership which promotes the goals of this Agreement. This commitment is mandatory on the local parties for the term of the current Labor Agreement.

Each location will establish a Plant Steering Committee that will include the local Plant Manager and top local Union official. The size and composition of the local Plant Steering Committee will be decided jointly. At multiple-union plants, the Committee will include representatives from other union bargaining units at that location.

Local Roles and Responsibilities

The Plant Steering Committee shall investigate, consider, and test alternative approaches to safety, work redesign, work assignments, work scheduling, planning for technological change, training, development, problem solving, and process improvement to facilitate both individual and group contribution towards improved quality, efficiency, productivity, employee satisfaction, and employment security. It is recognized that in order for this committee to function effectively, timely information regarding these issues must be shared with the local union.

The Plant Steering Committee will guide partnership initiatives and ensure such initiatives are in compliance with the Labor Agreement and other memoranda of agreement negotiated by the parties.

The Plant Steering Committee shall encourage behaviors, attitudes, forums, and opportunities that enlist the know-how and ingenuity of workers in achieving the goals of this Agreement.

The Plant Steering Committee will identify measures of improvement by which the parties can track the achievement of joint objectives set for meeting the needs of customers, employees, the Union and the business.

In addition, the Plant Steering Committee may study and evaluate new and innovative alternative work systems that

achievement of joint objectives set for meeting the needs of customers, employees, the Union and the business.

In addition, the Plant Steering Committee may study and evaluate new and innovative alternative work systems that support the parties' commitment to continuous improvement and employment security. It is agreed that such work systems may be desirable and the local parties shall commit to a prompt joint effort to study, design, and implement such work systems where appropriate.

The local parties are responsible and accountable for working together through joint decision-making and problem-solving processes to meet the parties' commitment to the following objectives:

a. Create and maintain a safe and healthy work environment through joint participation in setting safety and health goals, implementing improvement plans and auditing performance;

b. Sustain an open environment that shares knowledge and provides detailed information which is timely and specific to the needs of the local parties about the business, plant performance, capital improvements, new technology and products, future skills needs, customer satisfaction, and competitive issues;

c. Provide for employment security;

d. Improve the quality, service, productivity, and competitiveness of the business and its products, seeking profitability on a sustained basis;

e. Promote the objectives of the business and align with its Vision, Values, and Milestones;

f. Increase employee responsibility for and influence in workplace decision-making;

g. Support work environments built on fairness and commitment to improving the quality of employees' work life;

h. Support rapid response to changes in the marketplace in products and customer requirements;

i. Plan for technological change designed to serve the best interests of both parties affected by the change;

j. Understand the current state of competitiveness and its relationship to "World Class" standards;

k. Identify and implement cost reduction opportunities;

l. Provide improved job opportunities, skills development, leadership training and education, and more productive utilization of a skilled workforce;

m. Drive effective individual and group problem-solving; and;

n. Acceptance by each party of the role of the other as an essential partner in attaining joint objectives.

Employment Security

The Company and the Union are committed to providing employment security for all employees covered by this Agreement. Employment security is ultimately dependent upon efficient, competitive plants, and high quality products. To obtain efficient, competitive plants and high quality products, the Company needs both the Union's cooperation as a valued partner and employee participation in work processes. Union cooperation and employee participation are dependent upon an agreement that gives employees sufficient employment security so they will offer suggestions freely and give their full cooperation to make the business a success.

Employment Security shall apply only to layoffs that commence during the term of this Labor Agreement, and shall remain in effect at a location so long as the local parties are actively participating in the local structures created by this Cooperative Partnership Agreement.

Guarantee

The parties agree that employment security is a priority objective of this cooperative partnership agreement. No employee shall be laid off as a result of the implementation of ideas, suggestions, or recommendations from individual bargaining unit employees or from teams that include bargaining unit employees. Exceptions may be made where there is a major capital deployment to affect a technology shift that results in significant crewing reductions, or when the parties recognize that the long term viability of the plant or a major segment thereof requires a reduction in employment. In such circumstances, the Company agrees to work with the Union through the process to avoid layoffs.

No employee shall be laid off during the term of this Agreement except as determined through the Joint Decision-Making and Responsibility Process defined below. In any event, no employee shall be laid off from the plant for an expected duration of less than four (4) weeks.

The above guarantees shall not apply in the event of a strike or work stoppage by employees covered by this Agreement.

Joint Decision-Making and Responsibility

The Union and the Company share responsibility for the long-term viability of each covered location and, therefore, must share in the decision making with respect to the employment security of its employees. This authority and responsibility shall be vested in the local parties. The parties are confident that the sharing of information and full discussion and exchange of ideas and consideration of all views about issues impacting employees long-term employment security will lead to decisions that are satisfactory to all. This continuous flow of information will

ensure that the Union has the earliest possible notice of potential layoffs.

As a minimum, in cases where layoffs from the plant are contemplated or where the guarantee provided above is operative, the local parties shall consider alternatives designed to provide employment to affected employees including assignment to non-traditional tasks, the reduction of contracting out, attrition, early retirement, voluntary termination programs, overtime reduction, work schedules, and flexible use of the work force in non-traditional work assignments and other economically viable options. Should the local parties not be able to make a joint decision, either of the local parties may request a timely review by the appropriate Business Unit President or his designee and a representative of the International Union who shall ensure that reasonable alternatives have been explored.

Rates of Pay

An employee working in a new job assignment as a result of the application of this Employment Security provision shall receive:

The established rate of pay of the job to which he is assigned unless the parties otherwise agree.

If there is no rate of pay established for that job, the rate of pay will be determined by the local parties or; if they are unable to reach agreement, the rate of pay will be determined by the application of the Wage Manual.

Training

The parties recognize that the goals of this Agreement can be attained only by a commitment to comprehensive and ongoing training and education. Accordingly, the Plant Steering Committee shall take steps to establish training programs necessary to the purposes of this Agreement. All training shall be focused on the following objectives: the long-range mutual goals of the parties; problem-solving techniques; communication activities; skills, attitudes, behaviors and techniques for increasing the

effectiveness of participation and involvement activities; and methods for determining and achieving joint goals. Without limiting the comprehensiveness or continuity of the training and education required by this Agreement, such activities will, unless otherwise agreed to, include at least the following minimum standards and guidelines:

1. Both Company and Union representatives shall receive training by their respective organizations in how, consistent with their organization's goals, they can accomplish the objectives of this Agreement through participation and involvement activities.

2. The Plant Steering Committee shall sponsor a program for appropriate training of all members of joint committees created under this Agreement.

3. The Plant Steering Committee shall develop a joint training program designed to increase the skills of bargaining unit and non-bargaining unit employees concerning the subjects identified in this Section. Such program shall commence with instruction (a) how best to pursue organizational objectives through participation activities, (b) partnership structure of this agreement, and (c) the commitment of the parties to the process.

4. The Company shall fund all training programs referred to in this Section. This shall include employee time spent in such training as though it were time worked and employees shall suffer no loss of earnings as a result thereof.

5. Training referred to in this Section designed to achieve the objectives of this Agreement (other than Union training), shall be jointly developed and implemented.

Work Redesign

The Plant Steering Committee may investigate and implement Work Redesign consistent with the principles of this Agreement. Work Redesign will include the establishment of operating work teams or self-directed work teams and/or the implementation of other new and improved

ways of performing work. Additionally, any Work Redesign will be aimed at increasing employee responsibility, more effective utilization of people, materials and equipment along with a heightened level of job satisfaction resulting from increased employee contributions to the decisions and initiatives that impact the workplace.

Technological Change

The parties recognize that technological change can have significant implications for employment security and the nature of the working environment. Accordingly, the Company shall provide the top-level committee and the appropriate Plant Steering Committee notice of any proposed significant technological change within such a time that the Plant Steering Committee will be able to evaluate the impact of, and be an active participant in the decision-making process regarding, such change. Such notice shall address such issues as the purpose for and timetable of the change; the effect on training needs and outline of other options considered; and the number and types of jobs that would be changed, added, or eliminated. Disclosure of this information is dependent upon a confidentiality agreement satisfactory to the parties. "Significant technological change" shall mean the introduction of new and/or significant changes in existing machinery, equipment, controls and materials, and software.

Skills Assessment

The parties are committed to develop and maintain a highly skilled workforce needed to meet the demands of the ever changing competitive environment. To that end, the local parties will:

- identify skills needed to effectively operate their respective plants;
- assess current skills;
- develop training to close gaps between required skills and current skill levels; and
- assess the potential depletion of skills and develop a plan to replace those losses.

Safeguards and Resources

1. The selection of any consultant to assist in the development of the employee involvement and empowerment process will be mutual.

2. The parties agree to encourage individual employee participation in involvement and empowerment activities because both parties agree that active employee participation is essential to the realization of the objectives of this Agreement. All meeting time will be paid as hours worked.

3. Cooperative partnership and the activities generated therefrom shall not conflict with the traditional roles of the local Union, such as the processing of grievances. Such activities will not be used as a device by either party to bypass or undermine the other parties' rights or internal structure. This Cooperative Partnership Agreement will function within the context of the basic Labor Agreement and does not diminish or alter either party's contractual rights.

4. Local Union officials and plant management will be active, constructive participants in the long-term development and evaluation of local cooperative partnership and will not permit team activities to be affected by day-to-day labor-management activities and relationships.

Final Decision-Making and Dispute Resolution

The parties have entered into this agreement for the purpose of making the Union and the Company partners in joint decision-making to achieve the objectives of this Agreement. After sharing information and discussing and exchanging ideas and considering all views about issues of mutual interest and concern to the parties, decisions should be reached that are in the best interests of the business and the employees. It shall be the goal of the parties to strive for joint decision-making in rendering decisions, resolving issues, and implementing plans for the success and well being of the business and its employees. Finally, in the event joint decision-making is unable to produce an understanding over a matter as to which, absent this Agreement, management has

the right to make a final decision concerning such matter, management shall make the final decision and such decision shall not be subject to the grievance procedure. With respect to any matter in this Agreement which deals, in part, with various matters as to which Management has not heretofore had the unilateral right to make decisions, this Agreement gives Management no greater right to make unilateral decisions regarding such matters than it would have in the absence of this Agreement.

Disputes between the local parties over whether a party is living up to its obligations under this Partnership Agreement are not subject to the grievance procedure. However, should such a dispute arise, either local party may refer the matter to the Corporate Director of Industrial Relations and the Union(s) Co-Chairman of the Negotiating Committee or their designee for resolution. Should the Corporate Director of Industrial Relations and the Co-Chairman of the Negotiating Committee be unable to resolve the matter, at the request of either party, it may be submitted to the top-level committee for review.

In conclusion, the Company and Union are strongly committed to this Cooperative Partnership Agreement as a means of promoting the strong labor/ management relations necessary to create a work place that expands the opportunities for each individual to both support and share in the success of the business.

APPENDIX VII. INTERPLANT TRANSFER

In addition to the interplant transfer rights to other plant locations as provided in Article IX of the Labor Agreement, an employee who meets the eligibility requirements set forth in this Section shall be given preference over new hires for employment, if available, to locations listed below, if she/he so requests. Such preference shall be in order of Company seniority; however, employees laid off from a plant within fifty (50) miles of where the vacancy exists shall be given first preference, except at the Louisville plant locations where first preference shall be given to the plant transfer process currently in effect.

Alcoa, Tennessee	Massena, New York (RMC Location)
Badin, North Carolina	Hot Spring, Arkansas
Bauxite, Arkansas	Gum Springs, Arkansas
Point Comfort, Texas	Richmond, Virginia
Rockdale, Texas	Baton Rouge, Louisiana
Louisville, Kentucky (2)	Wenatchee, Washington

An eligible employee is an employee laid off in any reduction in forces who has at least one (1) year of Company seniority, has maintained his Company seniority and for whom no suitable work is available within the bargaining unit within a reasonable period of time. Further, in order to be eligible, an employee must have no citable discipline (any discipline for which an employee has received disciplinary time off work); must have a safety record that is free of disciplinary actions for a violation of plant safety rules and policies (any discipline for which an employee has received disciplinary time off work); and must be able to pass the hiring requirements for that location (excluding supervisor interviews) and must successfully complete a medical and physical examination including drug screen.

Employees requesting an interplant transfer, under the provisions of this section, to a similar process location, as defined in the table below, will not be subject to the pre-employment skill and knowledge testing at the new location.

Current Location	Similar Process Location
Davenport, IA	Hot Spring, AR Louisville, KY (Plant #1 Foil) Richmond, VA
Lafayette, IN	Louisville, KY (#15) Hot Spring, AR
Lebanon, PA	Hot Spring, AR Louisville, KY (#1 Foil)

Massena, NY (Alcoa)	Alcoa, TN Badin, NC Massena, NY (RMC) Rockdale, TX Wenatchee, WA
Warrick, IN	Alcoa, TN Badin, NC Massena, NY (RMC) Rockdale, TX Wenatchee, WA

An employee transferred under the provisions of this Section shall be considered a new hire commencing on his date of employment at the new location for all purposes except such employee shall retain his equivalent seniority for the purposes of determining vacation entitlement, group insurance, SUB and pension service. The new hire probationary period does not apply.

An employee so transferred shall have a trial period of thirty (30) days worked during which either the employee or the Company may decide that continued employment at that location is not in the best interest of the employee and/or the Company. If either party so decides, the employee will revert to the status previously held prior to accepting the transfer and will retain recall rights to his/her former location. Once the trial period of thirty (30) days worked has been completed, the employee shall no longer have recall rights to the plant from which he was laid off.

An employee transferred under the provisions of this paragraph to a new plant location more than fifty (50) miles from the plant from which he was laid off who has completed the trial period of thirty (30) days worked and who changes his permanent residence as a result thereof shall receive a moving allowance of ten thousand dollars ($10,000) payable upon the purchase of a home in the new location or after completing six (6) months of employment on the new job, whichever event first occurs.

The employee shall make written request for such moving allowance in accordance with the procedure established by the Company.

APPENDIX VIII. TEAM LEADER

1. The parties recognize the benefit and importance of a Team Leader. It is agreed that to further those objectives and principles, the company may establish a Team Leader classification (or other job title as locally determined appropriate) and the duties will be performed by employees selected from the bargaining unit and such individuals will remain in the bargaining unit. It is recognized that not all locations will be establishing this position. However, when a location does decide to establish the position the following agreement will govern. Those selected will be proficient in the Team Leader duties and on a majority of the jobs in the team. The Team Leader will regularly perform such work and other administrative, team, and leadership duties.

2. The core duties of a Team Leader are:

-Answer team members' calls
-Train team members
-Solve problems (not to include grievances or discipline)
-Monitor production and processes and visual displays
-Lead standardized work
-Fill in for problems, re-balance, absence, etc.
-Perform duties of the jobs in the team

3. The Team Leader shall receive a standard hourly wage rate equal to six (6) job grades higher than the highest evaluated job grade (plus, if receiving, applicable convention(s)) of the job classifications in the Team Leader's team. The Team Leader duties will not be considered as duties for evaluation purposes. Time worked and job grade paid in the Team Leader assignment will count for pension job grade determination.

4. The selection and development process will include four distinct phases: (1) orientation (2) assessment center (3) proficiency on the jobs in the team and (4) training. The orientation will be designed to give interested employees a description of the position and information pertaining to how the assessment center functions and the types of training that will subsequently be provided. The orientation will be available to

employees in the department (or classifications to be included) of the proposed team. The local parties will work together in developing an appropriate orientation program.

5. A single assessment center procedure will be used for initial qualification determination. The assessment center will evaluate an individual's skill proficiency in a number of key areas, among them:

(1). Communication skills
(2) Analysis
(3) Interpersonal astuteness
(4) Developing others
(5) Result orientation and Drive for change
(6) Collaboration
(7) Learning orientation

The assessment center will also provide overall ratings concerning effectiveness demonstrated in:

(8) Problem solving
(9) Teaming skills
(10) One-on-one skills

The assessment center will yield a single overall score to determine initial qualification.

Employees that meet the qualification standard in the assessment center and are proficient on a majority of the jobs in the team, will be enrolled in the location's Team Leader training program. If, at the time, not all employees are required, the training program will be provided to the most senior employees that have qualified and are proficient on a majority of the jobs in the team.

Employees that do not qualify will be given information pertaining to the areas in which they demonstrated strength, average performance or a need for development. After a period of one year the employee may participate in one additional assessment center for determining initial qualifications.

6. It is the desire of the company and union that the local parties effectively work together as it relates to the operation of the Team Leader training process. To further facilitate this objective the location's Partnership

Committee shall advise and make recommendations to the Company regarding the development, content and operation of the Team Leader training program.

It shall also be the function of the Committee to assure that assessments of the course training will be objective and based on the content of that course training and will not include subjective judgment or interviews.

The objective will be to provide training that permits interested employees to become Team Leaders. Employees who withdraw from training or who are disqualified (subject to review in the grievance procedure) at any time will be placed back on their prior job in accordance with the provisions of the labor agreement. Disqualified employees shall be provided remedial training and given one additional opportunity to satisfactorily complete the training program.

7. When the company determines a vacancy in the Team Leader job exists, openings in the Team Leader job will be posted and employees in the classification(s) in each team who have satisfactorily completed , the assessment center, are proficient on a majority of the jobs in the team and have satisfactorily completed the Team Leader training program, which shall be provided at company expense, may bid on those posted openings. Consideration will be given to applicants in accordance with the Labor Agreement. Should the local Union and local plant Management agree to adopt a rotation process to fill a declared vacancy, such application or modifications of this section may occur. The company will schedule the orientation, assessment center and training and it may be outside the employees' regular schedule. Employees attending the voluntary orientation will not be paid; employees attending the assessment center and training will be paid at the employee's standard hourly rate.

8. The negotiating Co-Chairs shall each appoint one person to serve in a joint oversight capacity and serve as the contact point for insuring a smooth and successful implementation. The joint oversight committee shall resolve any disputes. Any unresolved issues shall be submitted to the negotiating Co-Chairs or their designees for resolution. If the Co-Chairs are unable to resolve such

issue, it may be appealed to the grievance/arbitration procedure pursuant to provisions of the Labor Agreement.

9. It is understood that the work performed by Team Leaders or Team Members in no way establishes the exclusive jurisdiction of such work within a bargaining unit or between bargaining units and non-bargaining employees.

ALCOA

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

As an accommodation to employees and without contractual obligation, it will be the Company's procedure when an employee doubles over from the last shift of a day terminating approximately at midnight to the first shift of the day immediately following, to compensate the employee at time and one-half for the double-over as an extension of the employee's shift terminating approximately at midnight.

This is to advise you that the Company will not change this procedure during the term of the Labor Agreement dated June 1, 1996.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This will reconfirm the Company's expression to you in the course of the negotiation of the 1962 Agreement, Section 37, Short Week Benefits, of the SUB provision that it has no desire or intention to change its present policies or practices with respect to the scheduling of the work week.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During negotiation of our 1974 Agreement, the problem which confronts the Union with regard to meeting new employees was discussed.

This will reconfirm the Company's expressed willingness to cooperate in establishing at the local level appropriate means to alleviate this concern.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1974 negotiations, concern was expressed over the possibility of wage rate reductions in Potroom job classifications due to the "energy crisis."

This will reconfirm our statement to you that the Company will not reduce wage rates for Potroom job classifications when, due to temporary reductions of power caused by reasons beyond the control of the Company, such power reductions would reduce the additional job grades applicable through Factor 11 of the Wage Manual.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This will reconfirm that during the negotiation of our 1977 Labor Agreement, the Company agreed it would give employees as much advance notice as reasonably possible of scheduled overtime.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This will reconfirm that during the negotiation of our 1977 Labor Agreement, the parties agreed that, without contractual obligation or giving the practice status in the grievance procedure, it was desirable that grievances appealed beyond the first step, state the particular Article and Section of the Labor Agreement involved, if applicable, and the name of the grievant(s). It was further agreed that both parties would make an effort to see that this objective be accomplished.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1980 negotiations of the Labor Agreement, the parties discussed the placement and retention of handicapped or disabled employees and placement of handicapped applicants. It was agreed that as far as possible Article XII-C would be so used, and that such employees would be considered before applicants.

In the event no agreement is reached through the use of Article XII-C, the Company may place such employee or applicant in a job that he or she is able to do. Such placement of individuals will only be to the extent necessary to comply with federal or state laws concerning handicapped persons and is subject to the grievance procedure of the Labor Agreement.

No assignment without agreement between the parties may be made unless it is to comply with requirements of law.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiations of our 1980 Labor Agreement, the Union expressed a concern in regard to the ability of employees working the third or night shift to fulfill their obligations in regard to jury or witness duty. Subject to management approval and reasonable notification by the employee, in application of Article XXVIII, Jury and Witness Pay, the Company will allow an employee whose regularly scheduled shift is the third or night shift to designate either the day of or the day after such jury or witness service to be the excused day. This letter is not intended to provide any additional days off or compensation other than that provided under Article XXVIII.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

Alcoa
201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 1977 Agreement, the Union requested that some form of "visible" notification be given to employees on regular vacation whose schedule had been changed during their absence. This will reconfirm that such will be done when reasonable and practical depending upon the circumstances present at the time.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiations of our 1983 Labor Agreement, we discussed the matter of employees laid off as a result of a plant closing. This will confirm our understanding that Article IX, Paragraph G, subparagraphs 1, 2, and 3 also apply to such employees subject to the results of bargaining between the parties concerning the plant shutdown.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of our 1983 Labor Agreement, the Company confirmed that when it changes jobs listed in Appendix II and/or combines such jobs with each other, it does not do so for the purpose of eliminating jobs from Appendix II. The Company will not remove such changed and/or combined jobs from Appendix II unless they no longer fit the traditional criteria for inclusion as Appendix II classifications.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 1988 Labor Agreement, the parties agreed that if an employee completes three (3) years of accumulated departmental seniority without incurring a disciplinary action, no disciplinary action issued prior to such accumulation period shall be considered by the Company or cited in arbitration in any disciplinary action issued to that employee subsequent to such accumulation period.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St. at 7th St. Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 1986 Labor Agreement, the parties discussed situations where an employee whom the Company would otherwise have transferred or recalled was required by the Company to temporarily remain in another department. The parties agreed that in such situations the employee's departmental seniority and bidding rights in the department to which he is transferring or being recalled would commence as of the date the Company would have physically transferred or recalled such employee absent the Company's decision to require the employee to temporarily remain elsewhere.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

Alcoa
201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the *1988 Labor Agreement*, the Union expressed a concern with regard to supervisors performing work beyond the scope of the provisions of Article XXI. Supervisors.

In response, the Company *reaffirmed* its commitment that supervisors shall act in a supervisory capacity and shall not perform work so as to replace regular workers or operators on the job.

Very truly yours,

Eugene T. Woloshyn
Director, *NAHR*

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 1988 Labor Agreement, the parties discussed how "company seniority" is applied under Article IX, Paragraph G.

It was agreed that company seniority for an individual's participation in a plant's selection process for employment as a new employee is the sum of the employee's company seniority in all plants within the bargaining unit covered by this Agreement, and which has not been terminated as provided for in Article VIII, Section 17.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 1993 Labor Agreement, the Union expressed concerns about the Company's handling of employees engaging in other employment while on medical leave of absence. This letter confirms our mutual recognition that these concerns can be significantly reduced by improved communications. To satisfy that objective, each location, within 60 days of ratification of the Labor Agreement, will develop a written summary of employee obligations and responsibilities in this regard. The Company and local Union will jointly make that summary available to employees on medical leave. Neither party will unreasonably withhold its permission for such employment, provided that such employment is consistent with medical restrictions.

It is further understood that such employee will, as required by the Company, undergo periodic medical reviews by the plant physician to determine whether other employment is consistent with medical restrictions and to determine the employee's capability to perform available in-plant work.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During 1993 negotiations, concerns were expressed by the Union that returning a supervisory employee to the bargaining unit under the provisions of Section 35 may result in the displacement of a production and maintenance employee.

The Company commits that when and if any supervisor is returned to the bargaining unit, such return will not result in the layoff of a production or maintenance bargaining-unit employee. Likewise, no supervisor will be returned to the bargaining unit if qualified employees are on layoff from the affected department or from the plant.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1993 negotiations of the Labor Agreement, the Union expressed concerns that skills gained through non-traditional job assignments or team process training may be used by the Company in determining an employee's retention, restoration or recall. This letter is to confirm that the Company will not use the provisions of Article XII to retain, recall or restore any employee to a bargaining-unit job based solely on the skills or experience gained from team process training or a non-traditional assignment.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This will confirm our agreement during 1993 negotiations that the definition of Eligible Earnings (Section V, item 4 of Appendix IV) shall include the time lost and the straight-time earnings associated with that lost time at a rate not to exceed 8 hours per day or 40 hours per week for local union officials who are on an excused absence for union business and who otherwise would be actively at work.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

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Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1993 negotiations the parties agreed to the appropriateness of the local parties having the ability to modify certain aspects of the Performance Pay Plan to meet business unit needs.

1. The local parties may agree to have as much as 100% of their award opportunity based on their Business Unit/Location goals rather than the basic 50% Corporate and 50% Business Unit/Location plan design.

2. Such modifications, whenever agreed to for a given year, will then apply for the remaining term of the Agreement.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiations for the 1993 Labor Agreement, the parties discussed the employees of the Company who were and will be selected or elected to offices of the Union. The Company's policy is to encourage employees to seek leaves of absence for Union offices because it is in the Company's interest to have Union representatives familiar with the Company facilities they represent. Both parties recognized that the cost of Company group insurance benefits was a negative factor for employees seeking Union offices.

Therefore, the parties agreed that the Company will provide the group insurance coverages detailed in Article XXIII, subject to the provisions of that Article, to those employees who are on leave of absence pursuant to Article XIV because they have been selected or elected to offices of the Union. The costs of the insurance coverages will be provided by the Company to the same extent as provided for active employees.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During 1996 negotiations, as the result of the implementation of a customer service center and a reduction of on-site benefits representatives, the Union raised concerns about the ability of local union representatives to get responses to unresolved benefits problems in the future. The Company will ensure that the service center provides prompt and courteous service to benefits inquiries. In addition, at each location the human resources department will be designated to coordinate responses to the local union for any potential issues that have not been resolved through the service center or the insurance carriers. During a transition period existing benefits administrators will remain at locations to assist with issues that may arise. In most instances, benefits administrators will remain available at the location through the end of calendar year 1996.

The parties also discussed the need to meet periodically during the life of the labor agreement to discuss issues that arise concerning benefits. The parties will establish a joint committee for this purpose and will meet at least twice a year or more frequently as agreed to by the parties. One representative from the union from each location will be designated and will participate in these meetings at Company expense. The committee will also include such International Union representation as designated by the Union.

The committee will seek to resolve specific benefit and administrative plan issues, review the performance of the customer service center and the Company's insurance carriers, and discuss ways to improve the delivery of benefit programs. In the unlikely event that an issue cannot be resolved by the committee, it can be referred by either party to the Co-Chairpersons of the National Negotiating Committee for resolution.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

Until ratification of the next Labor Agreement, the Company shall maintain its program of medical benefits for post May 31, 1993 retirees and surviving spouses, provided that the annual cost of benefits paid for by the Company under these programs shall be limited to an amount determined by multiplying the per capita cost of such benefits on June 1, 2006 ("measuring year") by the number of retirees and surviving spouses ("Covered persons") during the same period.

In the event that the average per capita Company contribution exceeds the amount established above in any calendar year, the excess shall be allotted to and paid by each covered person on a pro rata basis. Notwithstanding the foregoing, no covered person shall be required, solely by reason of this limitation, to make any additional contribution toward the costs of the program coverage ("become engaged") until January 1, 2007. Furthermore, the parties agree that the subject of the limitation set forth in this letter shall be a mandatory subject of bargaining in any negotiations prior to December 31, 2006, but no additional contributions shall be engaged before 2007.

In the event the parties are unable to establish a new agreement pursuant to the reopener and the special arbitration procedures are invoked in 2005, the parties agree that the measuring year and year the additional contributions become engaged will be the same as defined above. The parties also agree these caps will not be a subject of the special arbitration procedures. If the special arbitration procedures are not invoked in 2005 by either party, the subject of medical caps shall be a mandatory subject of bargaining in any negotiations between the parties occurring subsequent to May 31, 2001 and prior to December 31, 2006 and only under such circumstances shall the additional contributions become engaged before 2007.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1996 negotiations, the Union requested that one (1) week of regular vacation time be taken in increments of one day at a time.

If the local parties mutually agree to consider day-at-a-time vacation at their location, the local parties will meet within 90 days of ratification of the Labor Agreement with the goal of designing an efficient, cost-effective day-at-a-time vacation program.

If an agreement is reached in sufficient time, day-at-a-time vacation will be implemented for the 1997 vacation year.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This will confirm the following understanding which was reached with you.

The proposals made by each party with respect to changes in the Master Agreement and the discussions had with respect thereto during these negotiations shall not be used, or referred to, in any way during or in connection with the arbitration of any grievance arising under the provisions of the agreement.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During our discussions of the 1993 collective bargaining agreement, the parties recognized that a National Health Care Program was under active discussion in Washington, D.C. and throughout the country. While the parties do not know what the details of such a Program might be and how it might impact bargaining-unit employees and the Company, the parties agree that should such a Program become effective, they will meet to resolve any issues raised by the overlap of that Program with the insurance program for bargaining-unit employees by utilizing the following principles:

1. Duplication will be eliminated at no loss to employees.

2. Net savings, if any, realized by the Company from the implementation of the National Health Care Program shall be paid into a fund established for payment of retiree insurance costs in future years. "Net Savings realized" will be measured as the amount of reduction in the Company's cost from the amount of expense in the calendar year immediately prior to full implementation of a National Health Care Program and shall take into consideration any premiums, taxes, or other contribution paid by the Company associated with funding the National Health Care Program.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 2001 negotiations, the parties discussed the application or modification of Article IX (F) Reduction of Forces and Article XI (D) Recall and Restoration of Forces where applicable. The Company is committed to avoid senior employees being laid off while junior employees are working. Options to accomplish this may include straight seniority bumping exchange of senior employees for junior employees through an orderly transition process such as a roll-in and such other options as may be agreed to by the local parties. The local parties agree that each will work diligently to reach agreement and to find a solution that meets the needs of employees and the business. Neither party shall unreasonably withhold its approval of such application or modification.

Craft employees will not be displaced by other employees unless the employee displacing has been previously classified in the craft and/or meets all the prerequisite qualifications of the job and is presently qualified to perform the craft work involved.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This is to confirm that the Company, during the course of 1996 negotiations, agreed to the following policy statement:

Alcoholism and drug abuse are recognized by the parties to be a treatable illness. Without detracting from the existing rights and obligations of the parties recognized in the other provisions of this Agreement, the Company and the Union agree to cooperate at the plant level in encouraging employees afflicted with alcoholism or drug addiction to undergo a program directed to the objective of their rehabilitation. Neither job security nor promotional opportunities should be jeopardized by a request for treatment for either alcoholism or drug use. Such request and all records shall remain confidential.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

ALCOA

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the 1996 labor negotiations, one issue of concern was contracting out. Based on these discussions, there are apparent questions with respect to the interpretation and implementation of the Contracting-Out Process Guiding Principles by some of the local parties.

Therefore, it is mutually agreed that a Joint Labor/Management Team will be appointed to visit each site covered under the Agreement. The Joint Team will meet with the local Contracting-Out Representative of the Union and Management to discuss and explain the principles, as well as the process. The Joint Team will make a report of their efforts to the USWA Negotiating Committee Chairman and the Corporate Director of Industrial Relations.

It is further agreed that a copy of each contracting-out notice provided to the Local Union Contracting-Out Committee will be forwarded to the Chairman of the USWA Negotiating Committee.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiation of the 2001 Labor Agreement, the parties discussed the importance of preventing musculoskeletal disorders (MSDs) through implementation of ergonomic principles and programs in the workplace. The parties agreed that MSD risks can be addressed effectively through comprehensive joint labor-management health and safety programs. As such, the parties committed to jointly promote and implement the principles of a comprehensive ergonomic program.

Very truly yours,

E. T. Woloshyn
Director, NAHR
Alcoa Inc.

Richard H. Davis
Vice President – Administration
USWA

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

The USWA and Alcoa are recognized as having some of the most effective health and safety programs in the world because health and safety is a primary objective for both organizations. However, the parties recognize that our health and safety processes and programs have not totally eliminated fatalities from our workplaces. As such, the parties have agreed to honor the memory of those individuals who have died in our workplaces as part of the Workers' Memorial Day observed annually on April 28. The locations' Joint Safety and Health Committees will jointly determine the appropriate activities in observance of this day.

Very truly yours,

E. T. Woloshyn
Director, NAHR
Alcoa Inc.

Richard H. Davis
Vice President – Administration
USWA

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

The parties discussed the importance of comprehensive audits and self-assessments as important elements of a successful health, safety, and environmental program during the 2001 negotiations. The parties additionally discussed how the appropriate involvement of representatives of the locations' Joint Health and Safety Committees in these audits can directly enhance the effectiveness of that location's joint safety and health processes. To that end, the locations where it is not already occurring, the Company commits to work with those locations' Joint Safety and Health Committees to mutually establish how the Committee members will become engaged in the process of auditing.

Very truly yours,

E. T. Woloshyn
Director, NAHR
Alcoa Inc.

Richard H. Davis
Vice President – Administration
USWA

ALCOA

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201 Isabella St at 7th St Bridge
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May 29, 2001

Mr. Richard H. Davis
Vice President - Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Dick:

During the 2001 contract negotiations, the parties discussed the competitiveness of Master Agreement locations. Master Agreement locations continue to face major competition from both domestic and global operations. Both parties recognize that long-term survival and potential growth in these locations will only result if we can find better ways to work together. Future success will be determined by our ability to make change at accelerated rates.

Leaders of both institutions believe that the Master Agreement locations should drive toward or continue to be world-class operations in terms of safety, productivity and workers job satisfaction. The leaders believe that the full adoption of the Partnership Agreement and the Alcoa Production System (APS) will be enablers in this process. Furthermore, success will lead to greater levels of compensation and the parties believe that through the full adoption of Partnership/APS, employees will gain greater long-term security and operations will have the potential for added growth.

Very truly yours,

E. T. Woloshyn
Director, NAHR
Alcoa Inc.

Richard H. Davis
Vice President – Administration
USWA

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201 Isabella St at 7th St Bridge
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May 24, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This letter will confirm our understanding reached during the 2001 negotiations concerning the Family Medical Leave Act (FMLA).

1. The period an employee is receiving Sickness & Accident benefits will be counted toward the employee's FMLA leave.

2. Vacation time will be counted toward the FMLA leave. However, each employee will be allowed to retain one week of vacation exempt from application toward such leave.

3. Where both spouses of a married couple are employees of the Company, each employee will be entitled to up to 12 weeks of FMLA leave.

4. Health care benefits will continue for the full period of a FMLA leave.

Very truly yours,

E. T. Woloshyn
Director, NAHR

ETW/tsh

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

September 26, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This letter will confirm our discussions during the 2001 Negotiations concerning the implementation of procedures for joint contracting out processes. The Company will establish joint location-specific, business-based contracting out processes consistent with the Guiding Principles at those locations where such processes have not been established.

The Company reconfirms its commitment that the locations will adhere to these processes.

Very truly yours,

E. T. Woloshyn
Director, NAHR

ETW/tsh

Confirmed: _____
Richard H. Davis

ALCOA

Alcoa
201 Isabella St at 7th St Bridge
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September 27, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the negotiations of the 2001 Labor Agreement, the parties discussed how jointly-sponsored conferences on safety and health can enhance the joint safety and health efforts in the facilities covered by this Collective Bargaining Agreement (CBA). The initial purpose of these conferences would be to seek out opportunities to reduce the fatality potential at our facilities, improve communication between the parties, and establish a forum for the sharing of best practices to improve each location's joint safety, health and environmental processes. These meetings will occur annually starting in 2002 and be held at a mutually agreeable time and location. The participants will include two (2) Joint Safety and Health Committee representatives (one hourly and one salaried) from each location covered by this CBA, representatives of the USWA Health, Safety and Environment Department, and appropriate representatives from the business unit and corporate organizations. The company will pay the full lost time and expenses for one (1) union member of the JSHC from each location. Additional union representatives may attend at union expense.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR
Alcoa Inc.

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

In the negotiations for our 2001 Agreement the Company and the Union have agreed upon the following to clarify and implement the safety language of the Labor Agreement:

1. Any attempt by an employee, or employees, to utilize the procedures of the Article for harassment, coercion, retaliation, or to achieve objectives other than health and safety, however proper those objectives might be if pursued by other means, would be abuse of this Article and contrary to the Labor Agreement itself.

2. An employee who is relieved from duty on the job about which he has complained shall not be paid for work time lost as a result of his being so relieved unless an arbitrator finds that he was justified in leaving the job because of the existence of an unsafe condition, changed from the normal hazards inherent in the operation. The period of time to which such payment is applicable will end when the unsafe condition is remedied or when, through application of proper manpower assignment or adjustment procedures, the relieved employee is either reassigned, scheduled off, or laid off.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4545
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the course of our recent negotiations, the parties discussed the problem of escalating health-care costs and the serious impact which such inflation has had, both on the ability of the Company to maintain our negotiated group insurance plans, and on the capacity of active and retired employees to afford their own out-of-pocket expenditures for unreimbursed medical services.

This letter will confirm our commitment to develop and implement cooperative efforts, particularly within the local community, which will promote greater efficiency in the use of health-care resources by Steelworkers and their families. Furthermore, the parties agree to join together to combat those instances where health-care providers engage in wasteful practices or overcharge for their services.

In order to achieve our objectives in this area, the Company and the International Union agree to encourage the establishment of plant-level committees on health care and cost containment.

The local committee shall study the operation of the group insurance plan and particularly the influence which the plan has on utilization and cost of area health-care services.

As part of the study, the joint committee may recommend that the benefit provisions applicable to a given employment location be modified on an experimental or permanent basis to determine if a given modification will make more efficient utilization of health-care resources or to take into account particular circumstances at a given employment location. Any recommendations made by such a joint committee shall become effective only upon written agreement between the Company and the International Union. The Company and the International Union shall, wherever possible, assist the local committees in carrying out the intent of our understanding.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

This is to confirm that the Company, during the 1996 negotiations, agreed to the following matter:

In the event of disagreement between the Company appointed physician and the employee's personal physician regarding an employee's ability or non-ability to return to work from sick leave, the local Union may request that the matter be reviewed by the Company's Office of Vice President, Health and Safety. A prompt review of the findings and conclusions of both involved physicians will be made and an opinion regarding the issue will be given to the employee, the local Union, and local Company officials.

The parties agree that for a proper review and well-based opinion, complete medical records regarding the employee's condition are essential. Therefore, such requests must be accompanied by a written release signed by the employee which permits the designated representative of the Company's Office of Vice President, Health and Safety, access to such records.

During the review period set forth above, an employee's sickness and accident benefits will continue until the opinion is issued from the office of the Vice President, Health and Safety, if the employee would otherwise be eligible for sickness and accident benefits and has not exhausted such benefits.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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Pittsburgh, PA 15212-5858 USA
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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During the course of the negotiations of our 1996 Labor Agreement, the parties discussed the potential benefits that might be gained through joint training of the joint Safety and Health Committee members. It was agreed that at each location the local parties should periodically assess the needs for conducting such training. If such assessment reveals a need for specific training, the Co-Chairpersons of the committee will develop an appropriate agenda for such training. The training will be held at a mutually agreeable date, time and location.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

Alcoa

201 Isabella St at 7th St Bridge
Pittsburgh, PA 15212-5858 USA
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Fax: 1 412 553 4498

June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During our 1996 negotiations the Company agreed to make deductions from earnings for each union member who signs voluntary authorization cards in forms agreed to by the Company and the Union and to remit the deductions to the Union for inclusion in the Union SOAR-PAC.

The procedure to be followed will be as stated in check-off. The Union agrees that the indemnity set forth shall apply to the Company's actions taken or not taken pursuant to this letter.

The provisions of this letter shall be effective in accordance with and consistent with the applicable provisions of state or federal law.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

During their 1993 negotiations the parties agreed to a Managed Care Program designed to replace the current Employee Group Benefit Plan. Essential to that Managed Care Program are a list of protocols as well as Managed Care Program evaluation criteria and standards and the establishment of a Joint Union-Management Managed Care Committee and Area Review Committees.

The parties agree that the Managed Care Program will go into effect January 1, 1994, at all locations and that the current Employee Benefit Plan will remain in effect until that date. The local parties will monitor the performance and quality of the network against the protocol and criteria established.

The parties further agree that when the Managed Care Program goes into effect it will be accompanied by a "Fresh Start" for purposes of determining limitations for visits, confinements, and any associated costs for services, treatments or medical supplies, as well as for lifetime maximums.

The protocols and criteria and standards for the Managed Care Program will be established in advance of the Union's ratification vote.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis

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June 1, 2001

Mr. Richard H. Davis
Vice President – Administration
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222-1214

Dear Mr. Davis:

The Company and the Union including local plant Management and Union representatives shall meet twice during the term of the Labor Agreement at a mutually agreeable time and location. Full and candid discussions shall be encouraged in these meetings with the objective of advancing the shared interests of the Company, the Union, and the employees. Subjects for discussion shall include Company and industry operating conditions, domestic and foreign investments, governmental affairs and other relevant topics as may be agreed upon by the Company-Union Co-Chairman.

Very truly yours,

Eugene T. Woloshyn
Director, NAHR

Confirmed: _____
Richard H. Davis